

# C H ROBINSON WORLDWIDE INC

## FORM 10-K (Annual Report)

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Address	8100 MITCHELL ROAD #200 EDEN PRAIRIE, Minnesota 55344
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Industry	Misc. Transportation
Sector	Transportation
Fiscal Year	12/31

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 10-K**

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2000

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 000-23189

**C.H. ROBINSON WORLDWIDE, INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation or organization)

**41-1883630**  
(I.R.S. Employer Identification No.)

**8100 Mitchell Road, Eden Prairie, Minnesota**  
(Address of principal executive offices)

**55344-2248**  
(Zip Code)

**(952) 937-8500**  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value \$.10 per share  
Preferred Share Purchase Rights

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

The aggregate market value of Common Stock held by non-affiliates of the registrant as of March 16, 2001 was approximately \$1,665,450,896 (based on the last sale price of such stock as quoted on The Nasdaq National Market (\$23.625) on such date).

As of March 16, 2001, the number of shares outstanding of the registrant's Common Stock, par value \$.10 per share, was 84,571,404 .

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the Registrant's Annual Report to Stockholders for the year ended December 31, 2000 (the "Annual Report"), are incorporated by reference in Part II.

Portions of the Registrant's Proxy Statement relating to its Annual Meeting of Stockholders to be held May 1, 2001 (the "Proxy

Statement”), are incorporated by reference in Part III.

## **PART I**

### **ITEM 1. BUSINESS**

#### **Overview**

Founded in 1905, C.H. Robinson Worldwide, Inc. (the “Company” or “Robinson”) is one of the largest third-party logistics companies in North America with 2000 gross revenues of \$2.9 billion. The Company is a global provider of multimodal transportation services and logistics solutions through a network of 137 offices in the United States, Canada, Mexico, Europe and South America. Through contracts with approximately 20,000 motor carriers, Robinson maintains the single largest network of motor carrier capacity in North America and is one of the largest third-party providers of intermodal services in the United States. In addition, Robinson regularly provides air, ocean and customs services. As an integral part of its transportation services, Robinson provides a wide range of value-added logistics services, such as fresh produce sourcing, freight consolidation, information reporting and cross-docking. During 2000, Robinson handled over 2,300,000 shipments for more than 14,000 customers ranging from Fortune 100 companies to small businesses in a wide variety of industries.

Robinson has developed global multimodal transportation and distribution networks to provide seamless logistics services worldwide. As a result, the Company has the capability of managing all aspects of the supply chain on behalf of its customers. As a non-asset based transportation provider, Robinson can focus on optimizing the transportation solution for its customer rather than on its own asset utilization, using established relationships with motor carriers, railroads (primarily intermodal service providers), air freight carriers and ocean carriers.

Throughout its 95-year history, the Company has been in the business of sourcing fresh produce. Much of Robinson’s logistics expertise can be traced to its significant experience in handling perishable commodities. Due to the time-sensitive nature and quality requirements of the shipments, fresh produce represents a unique logistics challenge, and the distribution and transportation costs are significant. Robinson has developed a network of produce sources and maintains access to specialized equipment and transportation modes designed to ensure timely delivery of uniform quality produce. In response to demand from large grocery retailers and food service distributors, the Company has developed its own brand of produce, The Fresh 1®, and entered into licensing agreements for national brand names. The produce for these brands is sourced through various relationships and packed to order through contract packing agreements.

Robinson’s business philosophy has accounted for its strong historical results and has positioned the Company for continued growth. The Company’s principal competitive advantage is its large decentralized branch network, staffed by approximately 2,590 salespersons who are employees rather than agents. These branch employees are in close proximity to both customers and carriers, which facilitates quick responses to customers’ changing needs. Branch employees act as a team in both marketing Robinson’s services and providing these services to individual customers. Robinson compensates its branch employees principally on the basis of individual performance and their branch’s profitability, which in the Company’s opinion produces a more service-oriented, focused and creative sales force. The Company believes more than 1,000 of its employees hold approximately half of the Company’s Common Stock.

The Company was reincorporated in Delaware in 1997 as the successor to a business existing, in various legal forms, since 1905. Robinson’s Common Stock began trading on The Nasdaq National Market under the symbol “CHRW” on October 15, 1997. Certain stockholders of the Company sold 24,330,310 shares of the Company’s Common Stock to the public pursuant to a registered public offering, the proceeds of which were paid entirely to the selling stockholders. Prior to such date, there was no established public trading market for the Company’s Common Stock.

In August 2000, the Company acquired the ongoing operations and certain assets of Trans-Consolidated, Inc., a privately held, non-asset based third-party refrigerated less-than-truckload transportation provider, located in Brooklyn Center, MN. Trans-Consolidated had annual net revenues of approximately \$3,200,000 in 1999.

In October 2000, the Company’s Board of Directors declared a two-for-one stock split, effected in the form of a 100% stock dividend, paid on December 1, 2000 to stockholders of record on November 10, 2000. This was the first Robinson stock split since the Company’s initial public offering.

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Robinson’s corporate office is located at 8100 Mitchell Road, Eden Prairie, Minnesota 55344-2248, and its telephone number is (952) 937-8500. Its web site address is [www.chrobinson.com](http://www.chrobinson.com).

#### **Logistics Services**

As a global, third-party logistics company, Robinson provides multimodal transportation and related logistics services, sourcing and fee-based information services.

The Company seeks to establish long-term relationships with its customers in order to provide logistics solutions that reduce or eliminate

inefficiencies in customers' supply chains. Whenever appropriate, Robinson analyzes the customer's current transportation rate structures, modes of shipping and carrier selection. Robinson may also examine the customer's warehousing, picking procedures, loading, unloading and dock scheduling procedures, as well as packaging and pallet configuration procedures. The Company then evaluates how these procedures interact with shipping, manufacturing and customer service. Upon completion of an initial analysis, Robinson proposes solutions that allow the customer to streamline operating procedures and contain costs, while improving the management of its supply chain. Robinson branch employees remain involved with the customer throughout the analysis and implementation of the proposed solution. In the course of providing day-to-day transportation services, branch employees offer further logistics analysis and solutions as the employees become more familiar with the customer's daily operations and the nuances of its supply chain. The Company's ultimate goal is to assist the customer in managing its entire supply chain while being the customer's key provider of individual transportation services.

## **Multimodal Transportation Services**

On a day-to-day basis, customers communicate their freight needs, typically on a load-by-load basis, to Robinson by means of a telephone call, fax transmission, Internet, e-mail or EDI message to the branch office salesperson responsible for the particular customer. All appropriate information about each load is entered into the Company's computer based operating system. With the help of the operating system, a salesperson then determines the appropriate mode of transportation for the load and selects a carrier or carriers, based upon the salesperson's knowledge of the carrier's service capability, equipment availability, freight rates and other relevant factors. A salesperson then communicates with the carrier's dispatch office to confirm a price for the transportation and the carrier's commitment to provide the transportation. At this point, the salesperson provides the carrier information to the customer, together with the Company's sales price, which is intended to provide a profit to Robinson for the totality of services performed for the customer. By accepting the customer's order, Robinson becomes legally responsible for transportation of the load from origin to destination, rather than being a mere freight broker. The carrier's contract is with Robinson, not the customer, and Robinson is responsible for prompt payment of carrier charges. Robinson is also responsible to its customer for any claims for damage to freight while in transit or performance. In most cases, Robinson receives reimbursement from the carrier for these claims.

As a result of its logistics capabilities, many customers now look to Robinson to handle all, or a substantial portion, of their freight transportation requirements to or from a particular manufacturing facility or distribution center. In a number of instances, Robinson has contracts with the customer whereby Robinson agrees to handle a specified number of loads usually to specified destinations, such as from the customer's plant to a distribution center, at specific rates, but subject to seasonal variation. Most of the Company's rate commitments are for periods of one year or less. To meet its obligations under these customer contracts, Robinson may obtain advance commitments from one or more carriers to transport all, or a significant portion, of the contracted loads, again at specific rates, for the length of Robinson's customer contract.

As part of its customer focus, Robinson offers a wide range of logistics services on a worldwide basis to assure timely, efficient and cost effective delivery through the use of one or more transportation modes. These logistics services include: transportation management (price and modal comparisons and selection; shipment consolidation and optimization; improvement of operating and shipping procedures and claims management); minimization of storage (through cross-docking and other flow-through operations); logistics network and nodal location analysis to optimize the entire supply chain; tracking and tracing; reverse logistics and other special needs; management information; and analysis of a customer's risk and claims management practices. Robinson will evaluate a customer's core carrier program by reviewing such factors as carriers' insurance certificates, safety ratings and financial stability as well as establishing a program to measure and monitor key quality standards for those core carriers. These services are bundled with underlying transportation services and are not typically

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separately priced, but instead are reflected as a part of the cost of transportation services provided by the Company on a transactional basis pursuant to continuing customer relationships. In addition to these transportation services, Robinson may supply sourcing, contract warehousing, consulting and other services, for which it is separately compensated.

The Company is capable of arranging all modes of transportation services on a worldwide basis:

- **Truck** — Through its contracts with approximately 20,000 motor carriers, Robinson maintains access to dry vans, temperature-controlled units and flatbeds. It offers both time-definite and expedited truck transportation. In many instances, particularly in connection with its sourcing business, the Company will consolidate partial loads for several customers into full truckloads.
- **Less Than Truckload ("LTL")** — LTL transportation involves the shipment of small package, single or multiple pallet, up to and including full trailer-load freight. Robinson focuses on pallet to partial load freight, although it handles any size shipment. Through contracts with motor carriers and its proprietary Internet-based software system, Robinson consolidates both freight and freight information to provide shippers with single source tracking and tracing capability, and the economic benefits of consolidating partial loads into full truckloads.
- **Intermodal** — Intermodal transportation involves the shipment of trailers or containers by a combination of truck, rail and/or ship in a coordinated manner. Robinson provides intermodal service by both rail and ship, arranges local pickup and delivery (known as drayage) through local motor carriers and provides temperature-controlled double and triple-stacked intermodal containers. The Company currently owns or leases approximately 500 intermodal containers. Robinson also has intermodal marketing contracts with railroads, which give the Company access to additional trailers and containers.

- Ocean — As an indirect ocean carrier and freight forwarder, Robinson consolidates shipments, determines routing, selects ocean carriers, contracts for ocean shipments, provides for local pickup and delivery of shipments and arranges for customs clearance of shipments, including the payment of duties.
- Air — The Company provides door-to-door service as a full-service air freight forwarder, both domestically and internationally.

The table below shows the Company's net revenues by transportation mode for the periods indicated:

	<b>Transportation Net Revenues</b> <b>(in thousands)</b>				
	<b>Year Ended December 31,</b>				
	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Truck(1)	\$ 110,460	\$ 133,110	\$ 164,186	\$ 202,877	\$ 313,650
Intermodal	8,014	9,680	6,671	10,738	14,422
Ocean	8,121	9,226	10,215	11,476	16,337
Air	1,687	1,954	3,427	2,858	3,555
Miscellaneous(2)	4,964	5,290	5,298	5,899	7,177
<b>Total</b>	<b>\$ 133,246</b>	<b>\$ 159,260</b>	<b>\$ 189,797</b>	<b>\$ 233,848</b>	<b>\$ 355,141</b>

(1) Includes LTL net revenues.

(2) Consists of customs clearance (Automated Brokerage Interface (ABI) and Automated Clearing House (ACH) capabilities with the U.S. Customs Service), warehousing, and other miscellaneous services.

As Robinson has emphasized integrated logistics solutions, its relationships with many customers have become broader, with the Company becoming a business partner responsible for a greater portion of supply chain management. Customers may be served by specially created Robinson teams and through several branches.

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Robinson's multimodal transportation services are provided to numerous international customers through its domestic branch offices as well as through branch offices in Canada, Mexico, Belgium, England, France, Germany, Italy, Poland, Spain, Argentina, Brazil and Venezuela. The Notes to the Company's Consolidated Financial Statements present Robinson's gross revenues from international customers for the years ended December 31, 1998, 1999 and 2000, and the Company's long-lived assets as of December 31, 1999 and 2000, in the United States and in foreign locations.

## Sourcing

Throughout its 95-year history, Robinson has been in the business of sourcing fresh produce. Much of the Company's logistics expertise can be traced to Robinson's significant experience in handling perishable commodities. Because of its perishable nature, produce must be quickly packaged, transported within tight timetables in temperature controlled equipment and distributed quickly to replenish high turnover inventories maintained by wholesalers, food service companies and retailers. In most instances, Robinson consolidates individual customers' produce orders into truckload quantities at the point of origin and arranges for transportation of the truckloads, often to multiple destinations. The Company's sourcing business is with produce wholesalers, who purchase produce in relatively large quantities through Robinson and resell the produce to grocery retailers, restaurants and other resellers of food, and with grocery store chains and other multistore retailers. Most of Robinson's remaining customers are food service companies that distribute a range of food products to retailers, restaurants and institutions.

During the past five years, the Company has actively sought to expand its food sourcing customer base by focusing on the larger multistore retailers. As these retailers have expanded through store openings and industry consolidation, their traditional methods of produce sourcing and store-level distribution, which relied principally on regional or even local purchases from wholesalers, have become inefficient. Robinson's logistics and perishable commodities sourcing expertise can greatly improve the retailers' produce purchasing as well as assure uniform quality from region to region and store to store. The Company provides just-in-time replenishment services to retailers. The Company introduced its proprietary The Fresh 1® brand of produce in 1989, which includes a wide range of uniform quality, top grade fruits and vegetables purchased from various domestic and international growers. During 1998, Robinson entered into new sourcing programs, including licensing agreements

for major national brands, that have expanded the Company's market presence and sourcing capabilities with respect to both product lines and nationally recognized brand names.

Sourcing accounted for approximately 18%, 15% and 10% of the Company's net revenues in 1998, 1999 and 2000, respectively.

### Information Services

A subsidiary of the Company, T-Chek Systems, Inc. provides motor carrier customers with funds transfer and driver payroll services, fuel management services, fuel and use tax reporting as well as on-line access to custom-tailored information management reports, all through the use of its proprietary automated system. This system enables motor carriers to track equipment, manage fleets and dictate where and when their drivers purchase fuel. For several companies and truck stop chains, T-Chek captures sales and fuel cost data, applies the margin agreed between seller and purchaser, reprices the sale, invoices the carrier and provides management information to the seller.

Through its subsidiary, Payment & Logistics Services, Inc., the Company provides freight payment services to shippers using a proprietary system, often linked to the carriers by EDI, with the ability to process freight payments by electronic funds transfer. This system also enables Robinson to automatically audit the customer's freight rates, eliminate duplicate payments to carriers and produce reports containing information about such matters as shipping patterns, freight volumes and overall transportation costs. Upon agreement, the Company and the customer can use this data to better manage the customer's supply chain. Robinson is not actively trying to grow this business. Freight payment and audit is an extremely competitive industry, requiring large volumes of business to be profitable. Robinson has continued in this business primarily as an added service to those customers who request it.

The Company's information services accounted for approximately 5%, 6% and 5% of the Company's net revenues in 1998, 1999 and 2000, respectively.

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### Organization

To allow the Company to stay close to customers and markets, Robinson has created and continues to expand a network of 137 offices supported by executives and services in a central office.

### Branch Network

Branch salespersons are responsible for developing new business, receiving and processing orders from specific customers and customers located in the area served by the branch and contracting with carriers to provide the transportation requested. In addition to routine transportation, salespersons are often called upon to handle customers' unusual, seasonal and emergency needs. Shipments to be transported by truck are almost always contracted at the branch level, and branches cooperate with each other to cover loads. Some branches may rely on expertise in other branches when contracting LTL, intermodal, international and air shipments.

Salespersons in the branches both sell and service their customers rather than rely exclusively on a central office or dedicated sales staff. Sales opportunities are identified through the Company's database, industry directories, referrals by existing customers and leads generated by branch office personnel through knowledge of their local and regional markets. Each branch is also responsible for locating and contracting with carriers.

The table below shows certain information about the Company's branches for the periods indicated:

	<b>Branch Data</b>				
	<b>(Dollars in thousands)</b>				
	<b>Year Ended December 31,</b>				
	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Average employees per branch	15.4	16.2	18.4	23.9	26.8
Average net revenues per branch	\$ 1,717	\$ 1,822	\$ 2,082	\$ 2,263	\$ 3,148
Average net revenues per employee	\$ 115	\$ 115	\$ 119	\$ 120	\$ 122

As of December 31, 2000, Robinson's branch salespersons represented approximately 71% of the Company's total work force and all branch employees, including support staff, represented over 84% of the Company's work force. At December 31, 2000, the number of salespersons per Company branch ranged from three to approximately 450 (including salespersons and customer support at American Backhaulers).

*Branch Expansion.* Robinson expects to continue to add branch offices as management determines that a new branch may contribute to

continued growth and as branch salespersons develop the capability to manage a new branch. Robinson intends to continue to open overseas branches as opportunities arise to serve the local needs of multinational customers. Additional branches are often opened within a territory previously served by another branch, such as within major cities, as the volume of business in a particular area warrants opening a separate branch. Capital required to open a new branch is modest, involving a lease for a small amount of office space, communication links and often employee compensation guaranties for a short time.

*Branch Employees.* For almost two decades, new branch salespersons have been hired through a sophisticated profiling system using standardized tests to measure an applicant against the traits determined by the Company to be those of successful Robinson employees. These common traits facilitate cooperative efforts necessary for the success of each office. Applicants are recruited nationally from across the United States and Canada, typically have college degrees and some have business experience, not necessarily within the transportation industry. The Company is highly selective in determining to whom it offers employment.

Newly hired branch employees receive extensive on-the-job training at the branch level, which ranges from six months to a year and emphasizes development of the necessary skills and attitude to become productive members of a branch team. The Company believes most salespersons become productive employees in a matter of weeks. After gaining approximately a year of experience, each salesperson attends a Company-sponsored national meeting to receive additional training and foster relationships between branches.

Employees at the branch level form a team, which is enhanced by Robinson's incentive compensation system. Under this system, part of the cash compensation of most branch managers and salespersons is dependent

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on the profitability of the particular branch or business unit. For any calendar year, branch managers and salespersons who have been employed for at least one complete year are paid a portion of the branch's earnings for that calendar year, based on a system of "points" awarded to the employees on the basis of their productivity and contribution. Most of a branch manager's cash compensation is provided by this compensation program. For 2000, incentive-based cash compensation averaged approximately 35% of branch salespersons' total cash compensation, 64% of branch managers' total cash compensation and 64% of officers' total cash compensation. Branch employees can earn significant individual incentive compensation based on achieving individual growth goals, and in the Company's Profit Sharing Plan, contributions that depend on overall Company profitability and other factors. In connection with establishing new branches and other special circumstances, Robinson may guarantee a level of compensation to the branch manager and key salespersons.

All managers and other employees throughout the Company who have significant responsibilities are eligible to participate in the Company's 1997 Omnibus Stock Plan. Employees at all levels, after a qualifying period of employment, are eligible to participate in the Company's Employee Stock Purchase Plan.

Individual salespersons benefit both through the growth and profitability of individual branches and by achieving individual goals, and are motivated by the opportunity to become branch managers, assistant managers or department managers. All branch salespersons are full time employees.

## **Executive Officers**

Under the Company's decentralized operating system, branch managers report directly to, and receive guidance and support from, a small group of executive officers at the Company's central office. Customers, carriers, managers and employees have direct access to the Company's Chief Executive Officer, D.R. Verdoorn, and all other executive officers. These executives provide training and education concerning logistics, develop new services and applications to be offered to customers and provide broad market analysis.

The executive officers of the Company serve at the discretion of the Board of Directors and are chosen annually by the Board of Directors. Set forth below are the names, ages and positions of the executive officers of the Company.

<u>Name</u>	<u>Age</u>	<u>Position</u>
D.R. Verdoorn	62	Chairman of the Board and Chief Executive Officer
John P. Wiehoff	39	President
Barry W. Butzow	54	Senior Vice President and Director
Gregory D. Goven	49	Senior Vice President and Director
Owen P. Gleason	49	Vice President, General Counsel, Secretary and Director
James V. Larsen	47	Vice President, Transportation
Chad M. Lindbloom	36	Vice President and Chief Financial Officer
Timothy P. Manning	36	Vice President, Branch Operations and Organizational Resources
Joseph J. Mulvehill	47	Vice President, International
Michael T. Rempe	47	Vice President, Produce
Mark Walker	43	Vice President and Chief Information Officer
Troy A. Renner	36	Treasurer
Thomas K. Mahlke	29	Corporate Controller

D.R. Verdoorn has been Chief Executive Officer of the Company and its predecessor since 1977, and a director since 1975. In 1998, Mr. Verdoorn was also named Chairman of the Board. He has been with the Company since 1963. He has served on the Boards of Directors for United Fresh Fruit and Vegetable Association and the Produce Marketing Association. Since October 2000, he has served as a director of G&K Services, Inc., a provider of corporate identity apparel programs and facility services. Mr. Verdoorn attended Central College in Pella, Iowa.

John P. Wiehoff has been President of the Company since December 1999. Previous positions with the Company include Senior Vice President and Chief Financial Officer since July 1, 1998, Treasurer, and Corporate

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Controller since 1992. Prior to that, he was employed by Arthur Andersen LLP. He holds a Bachelor of Science degree from St. John's University.

Barry W. Butzow has been a Vice President of the Company since 1984 and a director since 1986. In October of 1998, he was named a Senior Vice President. He began employment with the Company in 1969. He holds a Bachelor of Arts degree from Moorhead State University.

Gregory D. Goven has been a Vice President of the Company since 1988, and was named a Senior Vice President in October of 1998. Mr. Goven has been a director since 2000. Mr. Goven joined the Company in 1973. Mr. Goven holds a Bachelor of Science degree from North Dakota State University. Mr. Goven's wife is the first cousin of Mr. Verdoorn.

Owen P. Gleason has been Vice President and General Counsel of the Company since 1990 and served as corporate counsel since 1978. Mr. Gleason has been a director since 1986. Mr. Gleason holds a law degree from Oklahoma City University and a Bachelor's Degree from Ripon College.

James V. Larsen has been Vice President, Transportation since July 1999. Prior to that, he served as Vice President of Sales, and later as President, of Preferred Translocation Systems, which he founded in 1986 and which was acquired by the Company in July 1998.

Chad M. Lindbloom has been Vice President and Chief Financial Officer of the Company since December 1999. From June of 1998 until December of 1999, he served as the Company's Corporate Controller. Mr. Lindbloom joined the Company in 1990 as a staff accountant. Mr. Lindbloom holds a Bachelor of Science degree and a Masters of Business Administration from the Carlson School of Management at the University of Minnesota.

Timothy P. Manning has been Vice President, Branch Operations and Organizational Resources since December 1999. Previous positions with the Company include Transportation Manager in the St. Louis branch office, and in October 1998, Mr. Manning was named Director of Operations. Mr. Manning joined the Company in 1989. Mr. Manning holds a Bachelor of Science degree from the University of Minnesota.

Joseph J. Mulvehill has been Vice President, International since 1998. Mr. Mulvehill joined the Company in 1975. Mr. Mulvehill holds a Bachelor of Arts degree from the University of St. Thomas.

Michael T. Rempe has been Vice President, Produce since 1994, after starting with the Company in 1989 as Director of Produce Merchandising. Prior to that, he held several senior positions in the retail grocery industry. Mr. Rempe has served on the board of directors of the Produce Marketing Association and is currently on the board of directors of Produce for Better Health. Mr. Rempe attended Indiana University Purdue University at Indianapolis.

Mark Walker has been Vice President and Chief Information Officer since December 1999. Additional positions with the Company include President of T-Chek Systems LLC and President of Payment & Logistics Services LLC. Mr. Walker joined the Company in 1980. Mr. Walker holds a Bachelor of Sciences degree from Iowa State University and a Masters of Business Administration from the University of St. Thomas.

Troy A. Renner has been Treasurer of the Company since June 1998, and Tax Director since 1995. Prior to that, he was employed as a tax manager by Arthur Andersen LLP. Mr. Renner holds a Bachelor of Science and a law degree from the University of Minnesota.

Thomas K. Mahlke has been Corporate Controller of the Company since December 1999. Mr. Mahlke joined the Company in November of 1997 as Accounting Manager. Prior to that, he was employed as a supervisory senior accountant by Arthur Andersen LLP since 1992. Mr. Mahlke holds a Bachelor of Accountancy degree from the University of North Dakota.

## **Employees**

As of December 31, 2000, the Company had a total of 3,677 employees, substantially all of whom are full-time employees and approximately 3,085 of whom were located in the Company's branch offices. Corporate services such as accounting, information systems, legal, credit support and claims support are provided centrally.



Robinson believes that its compensation and benefit plans are among the most competitive in the industry and that its relationship with employees is excellent.

## **Customers and Marketing**

Robinson seeks to establish long-term relationships with its customers and to increase the amount of business done with each customer by seeking to provide the customer with a full range of logistics services. The Company serves 14,000 customers worldwide ranging from Fortune 100 companies to small businesses in a wide variety of industries. During 2000, no customer accounted for more than 8% of gross revenues or 4% of net revenues. In recent years, revenue growth has been achieved through the growth and consolidation of customers, expansion of the services provided by the Company and an increase in the number of customers served.

Robinson believes that decentralization allows salespersons to better serve its customers by fostering the development of a broad knowledge of logistics and local and regional market conditions as well as the specific logistics issues facing individual customers. With the guidance of experienced branch managers (who have an average tenure of 12 years with the Company), branches are given significant latitude in pursuing opportunities and committing the Company's resources to serve customers.

Branches seek additional business from existing customers and pursue new customers, based on their knowledge of local markets and the range and value of logistics services that the Company is capable of providing. Robinson has begun placing increased emphasis on national sales and marketing support to enhance branch capabilities. Increasingly, branches call on central office executives, a national sales staff and a central logistics group to support them in the pursuit of multinational corporations and other companies with more complex logistics requirements.

## **Relationships with Carriers**

Robinson seeks to establish long-term relationships with carriers in order to assure dependable services, favorable pricing and carrier availability during peak shipping periods and periods of undercapacity. To strengthen and maintain these relationships, Company salespersons regularly communicate with carriers serving their region and seek to assist carriers with equipment utilization, reduction of empty miles and equipment repositioning. The Company has a policy of prompt payment and provides centralized claims management on behalf of various shippers. Many smaller carriers effectively consider Robinson as their sales and marketing department.

As of December 31, 2000, Robinson had contracts with approximately 20,000 motor carriers (providing access to temperature controlled vans, dry vans and flatbeds). Those carriers include owner-operators of a single truck, small and mid-size fleets, private fleets and the largest national trucking companies. Consequently, the Company is not dependent on any one carrier. As of December 31, 2000, Robinson also had intermodal marketing contracts with railroads, including all of the major North American railroads, giving the Company access to additional trailers and containers. Robinson qualifies each motor carrier to assure that it is properly licensed and insured and has the resources to provide the necessary level of service on a dependable basis. The Company's motor carrier contracts require that the carrier commit to a minimum number of shipments, issue invoices only to and accept payment solely from Robinson and permit Robinson to withhold payment to satisfy previous claims or shortages. Carrier contracts also establish transportation rates that can be modified by issuance of an individual load confirmation. The Company's contracts with railroads govern the transportation services and payment terms by which Robinson's intermodal shipments are transported by rail. Intermodal transportation rates are typically negotiated between the Company and the railroad on a customer-specific basis.

## **Competition**

The transportation services industry is highly competitive and fragmented. The Company competes primarily against a large number of other non-asset based logistics companies, as well as asset-based logistics companies, third-party freight brokers, carriers offering logistics services and freight forwarders. Robinson also competes against carriers' internal sales forces and shippers' own transportation departments. It also buys and sells transportation services from and to companies with which it competes.

The Company often competes with respect to price, scope of services or a combination thereof, but believes that its most significant competitive advantages are:

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- its large decentralized branch network, staffed by salespersons who are employees rather than agents, which enables the Company's salespersons to gain significant knowledge about individual customers, carriers and the local and regional markets they serve,
- its technology, including Internet communications capabilities,
- its ability to provide a broad range of logistics services and
- its ability to provide door-to-door services on a worldwide basis.

## **Communications and Information Systems**

To handle the large number of daily transactions and to accommodate its decentralized branch system, the Company has designed an extensive communications and information system. Employees are linked with each other and with customers and carriers by telephone, facsimile, Internet, e-mail and/or EDI to communicate requirements and availability, to confirm and bill orders and, through the Company's Internet home page CHRW e-Center ([www.chrobinson.com](http://www.chrobinson.com)), to contract loads or equipment and track and trace shipments. Customers and carriers also have access to Robinson's systems through the CHRW e-Center. The Company has developed its own proprietary computer based systems that help salespersons service customer orders, select the optimal modes of transportation, build and consolidate loads and select routes, all based on customer-specific service parameters, makes load data visible to the entire sales team as well as customers and carriers, enabling the salespersons to select carriers and track loads in progress, and automatically provides visible alerts to any arising problems. Robinson's internally developed proprietary decision support system uses data captured from daily transactions to generate various management reports which are available to the Company's logistics customers to provide information on traffic patterns, product mix and production schedules, and enables customers to analyze their own customer base, transportation expenditure trends and the impact on out-of-route and out-of-stock costs.

## **Government Regulation**

The transportation industry has been subject to legislative and regulatory changes that have affected the economics of the industry by requiring changes in operating practices or influencing the demand for, and cost of providing, transportation services. The Company cannot predict the effect, if any, that future legislative and regulatory changes may have on the transportation industry.

Robinson is subject to licensing and regulation as a transportation provider. The Company is licensed by the Department of Transportation ("DOT") as a broker in arranging for the transportation of property by motor vehicle. The DOT prescribes qualifications for acting in this capacity, including certain surety bonding requirements. The Company provides motor carrier transportation services that require registration with the DOT and compliance with certain economic regulations administered by the DOT, including a requirement to maintain insurance coverage in minimum prescribed amounts. The Company is subject to regulation by the Federal Maritime Commission as an ocean freight forwarder and maintains a non-vessel operating common carrier bond. The Company operates as an indirect air cargo carrier subject to economic regulation by the DOT. The Company provides customs brokerage services as a customs broker under a license issued by the United States Customs Service of the Department of Treasury. The Company sources fresh produce under a license issued by the United States Department of Agriculture. Other sourcing and distribution activities may be subject to various federal and state food and drug statutes and regulations. Although Congress enacted legislation in 1994 that substantially preempts the authority of states to exercise economic regulation of motor carriers and brokers of freight, the Company and several of its subsidiaries continue to be subject to a variety of vehicle registration and licensing requirements. The Company and the carriers that the Company relies on in arranging transportation services for its customers are also subject to a variety of federal and state safety and environmental regulations. Although compliance with the regulations governing licensees in these areas has not had a materially adverse effect on the Company's operations or financial condition in the past, there can be no assurance that such regulations or changes thereto will not adversely impact the Company's operations in the future. Violation of these regulations could also subject the Company to fines or, in the event of serious violation, suspension or revocation of operating authority as well as increased claims liability.

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## **Risk Management and Insurance**

In its truck and intermodal operations, Robinson assumes full value cargo risk to its customers. The Company subrogates its losses against the motor or rail carrier with the transportation responsibilities. Robinson requires all motor carriers participating in its contract program to carry at least \$100 million in general liability insurance and \$25,000 in cargo insurance. Many carriers carry insurance limits exceeding these minimums. Railroads, which are generally self-insured, provide limited common carrier liability protection, generally up to \$250,000 per shipment. For both truck and rail transportation, higher coverage is available to the customer on a load-by-load basis at an additional price.

In its international freight forwarding, ocean transportation and air freight businesses, the Company does not assume cargo liability to its customers above minimum industry standards. Robinson offers its customers the option to purchase ocean marine cargo coverage to insure goods in transit. When the Company agrees to store goods for its customers for longer terms, it provides limited warehouseman's coverage to its customers and contracts for warehousing services from companies that provide Robinson the same degree of coverage.

The Company maintains a broad cargo liability policy to protect it against catastrophic losses that may not be recovered from the responsible carrier. Robinson also carries various liability policies, including auto and general liability, with a \$100 million umbrella.

Agricultural chemicals used on agricultural commodities intended for human consumption are subject to various approvals, and the commodities themselves are subject to regulations on cleanliness and contamination. Concern about particular chemicals and alleged contamination has led to recalls of products, and tort claims have been brought by consumers of allegedly affected produce. Because the Company is a seller of produce, it may have legal responsibility arising from sales of produce. While the Company carries product liability coverage of \$75 million, settlement of class action claims is often costly, and Robinson cannot assure that its liability coverage will be adequate and will continue to be available. In addition, in connection with any recall, Robinson may be required to bear the cost of repurchasing, transporting and destroying any allegedly contaminated product, for which it is not insured. Any recall or allegation of contamination could affect the Company's reputation, particularly of its the Fresh 1® brand. Loss due to spoilage (including the need for disposal) is also a routine

part of the sourcing business.

## Forward-Looking Statements

This Form 10-K Annual Report and the Company's financial statements, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 and other documents incorporated by reference contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements represent our expectations or beliefs, including, but not limited to, our current assumptions about future financial performance, anticipated problems, and our plans for future operations, which are subject to various risks and uncertainties. When used in this Form 10-K and in future filings by the Company with the Securities and Exchange Commission, in our press releases, presentations to securities analysts or investors, in oral statements made by or with the approval of an executive officer of the Company, the words or phrases "believes," "may," "will," "expects," "should," "continue," "anticipates," "intends," "will likely result," "estimates," "projects," or similar expressions and variations thereof are intended to identify such forward-looking statements. However, any statements contained in this Form 10-K that are not statements of historical fact may be deemed to be forward-looking statements. We caution that these statements by their nature involve risks and uncertainties, certain of which are beyond our control, and actual results may differ materially depending upon a variety of important factors, including those described in Exhibit 99 to this Form 10-K.

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## ITEM 2. PROPERTIES

All of the Company's 137 offices are leased from third parties under leases with initial terms ranging from three to ten years. The Company leases approximately 65,000 square feet of office space in Eden Prairie, Minnesota as its corporate headquarters, and an additional approximately 40,000 square feet of office space in Eden Prairie for branch sales and operating activities. Robinson's corporate headquarters and Eden Prairie sales office leases expire in 2004. The following table sets forth certain information with respect to the Company's largest branch offices:

City/State	Approximate Square Feet
Chicago, IL	90,000
Rochester, NY	23,800
Vancouver, WA	16,360
Southfield, MI	15,206
Burr Ridge, IL	12,016
Oak Brook, IL	9,861
Tampa, FL	8,721
College Park, GA	8,668
Cordova, TN	7,276
Des Plaines, IL	6,324
Paulsboro, NJ	5,910
Woburn, MA	5,871
Overland Park, KS	5,821
Indianapolis, IN	5,686
Coralville, IA	5,601
Independence, OH	5,475
Secaucus, NJ	5,253
Omaha, NE	5,160
Dallas, TX	5,157
Atlanta, GA	5,004
Cheektowga, NY	5,000

The Company also leases approximately 550,000 square feet of warehouse space throughout the country. Of this total, 206,600 square feet is in Omaha, Nebraska, 62,000 square feet is in La Vergne, Tennessee, 55,665 square feet is in Aurora, Colorado, 53,300 square feet is in Medley, Florida, and 51,000 square feet is in Rochester, NY. The Company considers its current offices adequate for its current level of operations. Robinson has not had difficulty in obtaining sufficient office space and believes it can renew existing leases or relocate branches to new offices as leases expire.

## ITEM 3. LEGAL PROCEEDINGS

The Company is currently not subject to any pending or threatened litigation other than routine litigation arising in the ordinary course of business, none of which is expected to have a material adverse effect on the business, financial condition or results of operations of the Company.

#### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of the year ended December 31, 2000.

#### PART II

#### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's Common Stock began trading on The Nasdaq National Market under the symbol "CHRW" on October 15, 1997. Certain stockholders of the Company sold 24,330,310 shares of the Company's Common Stock to the public pursuant to a registered public offering, the proceeds of which were paid entirely to the selling

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stockholders. Prior to such date, there was no established public trading market for the Company's Common Stock. On October 24, 2000, the Company's Board of Directors declared a two-for-one stock split, effected in the form of a 100% stock dividend. The new shares were distributed on December 1, 2000 to shareholders of record as of the close of business on November 10, 2000. All share and per share amounts in this Form 10-K have been restated to reflect the Company's stock split.

The following table sets forth, for the periods indicated, the high and low sales prices of the Company's Common Stock, as quoted on The Nasdaq National Market.

2000	Low	High
Fourth Quarter	\$ 23.969	\$ 32.500
Third Quarter	23.500	31.883
Second Quarter	17.500	25.398
First Quarter	18.625	25.500

1999	Low	High
Fourth Quarter	\$ 14.063	\$ 21.031
Third Quarter	15.375	18.688
Second Quarter	12.875	18.375
First Quarter	12.500	14.813

On March 16, 2001, the closing sales price per share of the Company's Common Stock as quoted on The Nasdaq National Market was \$23.625 per share. On March 16, 2001, there were approximately 1,820 holders of record and approximately 7,400 beneficial owners of the Company's Common Stock. On February 10, 1999, the Company announced that its Board of Directors authorized a stock repurchase program under which up to 2,000,000 shares of the Company's Common Stock may be repurchased from time to time through open market transactions, block purchases, tender offers, private transactions, accelerated share repurchase programs or otherwise. The Company intends to fund such repurchases with internally generated funds.

The Company declared quarterly dividends during 1999 for an aggregate of \$0.145 per share, and quarterly dividends during 2000 for an aggregate of \$0.17 per share. The Company has declared a quarterly dividend of \$0.05 per share payable to shareholders of record as of March 9, 2001 payable on April 2, 2001. The declaration of dividends by the Company is subject to the discretion of the Board of Directors. Any determination as to the payment of dividends will depend upon the results of operations, capital requirements and financial condition of the Company, and such other factors as the Board of Directors may deem relevant. Accordingly, there can be no assurance that the Board of Directors will declare or continue to pay dividends on the shares of Common Stock in the future.

#### ITEM 6. SELECTED FINANCIAL DATA

Selected consolidated financial and operating data on page 12 of the Annual Report is incorporated in this Form 10-K by reference. This information is also included in Exhibit 13 to this Form 10-K, as filed with the SEC.

#### ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis on pages 13 through 15 of the Annual Report is incorporated in this Form 10-K by reference. This section is also included in Exhibit 13 to this Form 10-K, as filed with the SEC.

## **ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Disclosure about Market Risk on page 15 of the Annual Report is incorporated in this Form 10-K by reference. This section is also included in Exhibit 13 to this Form 10-K, as filed with the SEC.

## **ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

The Company's consolidated financial statements and notes thereto on pages 16 through 26 of the Annual Report are incorporated in this Form 10-K by reference. These financial statements are also included in Exhibit 13 to this Form 10-K, as filed with the SEC.

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## **ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

## **PART III**

## **ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT**

Information with respect to the Company's Board of Directors on pages 2 through 4, and "Section 16(a) Beneficial Ownership Reporting Compliance" on page 12 of the Proxy Statement are incorporated in this Form 10-K by reference. Information with respect to the Company's executive officers is provided in Part I, Item 1.

## **ITEM 11. EXECUTIVE COMPENSATION**

"Executive Compensation" on pages 4 through 9 of the Proxy Statement (except for the information set forth under the subcaption "Compensation Committee Report on Executive Compensation") is incorporated in this Form 10-K by reference.

## **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

"Security Ownership of Certain Beneficial Owners and Management" on page 11 of the Proxy Statement is incorporated in this Form 10-K by reference.

## **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

"Certain Transactions" on page 10 of the Proxy Statement is incorporated in this Form 10-K by reference.

## **PART IV**

## **ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K**

(a) (1) Financial Statements.

The Company's consolidated financial statements listed in the accompanying Index to Consolidated Financial Statements at page F-1, on pages 16 through 26 of the Annual Report are incorporated in this Form 10-K by reference. These financial statements are included in Exhibit 13 to this Form 10-K, as filed with the SEC.

(2) Financial Statement Schedules.

Schedule II. Valuation and Qualifying Accounts, is included at the end of this Form 10-K.

(3) Index to Exhibits

<u>Number</u>	<u>Description</u>
---------------	--------------------

- |     |   |
|-----|---|
| 3.1 | Certificate of Incorporation of the Company (Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731) |
| 3.2 | Bylaws of the Company (Incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)                       |

- 3.3 Certificate of Designations of Series A Junior Participating Preferred Stock of the Company (Incorporated by reference to Exhibit 3.3 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

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- 4.1 Form of Certificate for Common Stock (Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
- 4.2 Form of Rights Agreement between the Company and Norwest Bank Minnesota, National Association (Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
- † 10.1 Operational Executive Compensation Program for 1999 (Incorporated by reference to Exhibit 10.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1999)
- † 10.2 Employee Incentive Program (Incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
- † 10.3 1997 Omnibus Stock Plan (Incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
- † 10.4 Form of Stock Option Agreement (Incorporated by reference to Exhibit 10.22 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
- † 10.5 C.H. Robinson Worldwide, Inc. Directors' Stock Plan (Incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1998)
- † 10.6 Form of Management—Employee Agreement between the Company and each of by D.R. Verdoorn and Barry Butzow (Incorporated by reference to Exhibit 10.5 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
- † 10.7 Form of Management—Employee Agreement entered into by Gregory Goven and Michael Rempe (Incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
- 10.8 Form of Management Confidentiality and Noncompetition Agreement (Incorporated by reference to Exhibit 10.21 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
- 10.9 Master Equipment Lease Agreement, dated August 19, 1994, between Wagonmaster Transportation Company and AT&T Commercial Finance Corporation (Incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
- 10.10 Keep-Well Agreement, dated August 19, 1994, between C.H. Robinson, Inc., Wagonmaster Transportation Company and AT&T Commercial Finance Corporation (Incorporated by reference to Exhibit 10.11 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
- 10.11 Master Equipment Lease Agreement, dated \_\_\_\_\_, 1994, between Wagonmaster Transportation Company and Metlife Capital Limited Partnership (Incorporated by reference to Exhibit 10.12 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

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- 10.12 Keep-Well Agreement, dated April \_\_, 1994, between C.H. Robinson, Inc., Wagonmaster Transportation Company and Metlife Capital Limited Partnership (Incorporated by reference to Exhibit 10.13 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
- 10.13 Long Term Lease Agreement, dated to be effective August 1, 1997, between C.H. Robinson Company and Genstar Container

Corporation (Incorporated by reference to Exhibit 10.19 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1997)

- 10.14 Long Term Lease Agreement, dated to be effective November 1, 1997, between C.H. Robinson Company and Genstar Container Corporation (Incorporated by reference to Exhibit 10.20 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1997)
- 10.15 Credit Agreement, dated as of December 29, 1999, by and among C.H. Robinson Worldwide, Inc., U.S. Bank National Association and Norwest Bank Minnesota, National Association (Incorporated by reference to Exhibit 10.15 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1999)
- 10.16 Revolving Note, dated December 29, 1999, payable by C.H. Robinson Worldwide, Inc. to the order of U.S. Bank National Association, up to an aggregate principal amount of \$20,000,000 (Incorporated by reference to Exhibit 10.16 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1999)
- 10.17 Revolving Note, dated December 29, 1999, payable by C.H. Robinson Worldwide, Inc. to the order of Norwest Bank Minnesota, National Association, up to an aggregate principal amount of \$20,000,000 (Incorporated by reference to Exhibit 10.17 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1999)
- † 10.18 Management Bonus Plan (Incorporated by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1999)
- 10.19 Asset Purchase Agreement dated November 18, 1999, by and among the Company, C.H. Robinson Company, American Backhaulers, Inc., Paul L. Loeb, the Paul L. Loeb Family Trust and the Jodi Sue Loeb Family Trust (Incorporated by reference to Exhibit 2 to the Registrant's Current Report on Form 8-K dated December 28, 1999)
- † 10.20 Robinson Companies Nonqualified Deferred Compensation Plan (Incorporated by reference to Exhibit 4 to the Registrant's Registration Statement on Form S-8, Registration No. 333-47080)
- \* 10.21 Robinson Companies Nonqualified Deferred Compensation Plan Trust Agreement, dated January 1, 2001, by and between C. H. Robinson Worldwide, Inc. and American Express Trust Company
- \*† 10.22 Award of Deferred Shares into the Robinson Companies Nonqualified Deferred Compensation Plan, dated December 21, 2000, by and between C. H. Robinson Worldwide, Inc. and John P. Wiehoff
- \* 13 Selected pages of the Company's Annual Report to Stockholders for the year ended December 31, 2000
- \* 21 Subsidiaries of the Company
- \* 23 Consent of Arthur Andersen LLP

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- 24 Powers of Attorney (included on signature page of this Report)
- \* 99 Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995

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† Management contract or compensatory plan or arrangement required to be filed as an exhibit to Form 10-K pursuant to Item 14(c) of the Form 10-K Report.

\* Filed herewith

(b) Reports on Form 8-K

A report on Form 8-K, dated October 25, 2000, was filed by the Registrant; such Report contained information under Item 5 (Other Events) and included as an exhibit under Item 7 a copy of a press release issued by the Registrant.

(c) See Item 14(a)(3) above.

(d) See Item 14(a)(2) above.

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

The following financial statements of the Company and its subsidiaries required to be included in Item 14(a)(1) are listed below:

### C.H. ROBINSON WORLDWIDE, INC. AND SUBSIDIARIES

Consolidated Financial Statements (incorporated by reference under Item 8 of Part II from pages 16 through 26 of the Company's Annual Report to Stockholders for the year ended December 31, 2000):

Consolidated Balance Sheets as of December 31, 2000 and 1999

Consolidated Statements of Operations for the years ended December 31, 2000, 1999 and 1998

Consolidated Statements of Stockholders' Investment and Comprehensive Income for the years ended December 31, 2000, 1999 and 1998

Consolidated Statements of Cash Flows for the years ended December 31, 2000, 1999 and 1998

Notes to Consolidated Financial Statements

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## SIGNATURES

Pursuant to the requirements of the Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Eden Prairie, State of Minnesota, on March 30, 2001.

**C.H. ROBINSON WORLDWIDE, INC.**

By: /s/ Owen P. Gleason

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Owen P. Gleason

Vice President, General Counsel and Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 30, 2001.

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints John P. Wiehoff and Owen P. Gleason (with full power to act alone), as his or her true and lawful attorneys-in-fact and agents, with full powers of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to the Annual Report on Form 10-K of C.H. Robinson Worldwide, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, lawfully do or cause to be done by virtue hereof.

Signature

Title

/s/ D. R. Verdoorn

Chairman of the Board and Chief Executive Officer  
(Principal Executive Officer)

D.R. Verdoorn

/s/ Chad M. Lindbloom

Vice President and Chief Financial Officer  
(Principal Financial Officer)

Chad M. Lindbloom

/s/ Thomas K. Mahlke

Corporate Controller (Principal Accounting Officer)



Thomas K. Mahlke	
/s/ Dale S. Hanson	Director
Dale S. Hanson	
/s/ Looe Baker III	Director
Looe Baker III	
/s/ Barry W. Butzow	Senior Vice President and Director
Barry W. Butzow	
/s/ Owen P. Gleason	Vice President, General Counsel, Secretary and Director
Owen P. Gleason	
/s/ Robert Ezrilov	Director
Robert Ezrilov	
/s/ Gerald A. Schwalbach	Director
Gerald A. Schwalbach	
/s/ Gregory D. Goven	Senior Vice President and Director
Gregory D. Goven	

## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To C.H. Robinson Worldwide, Inc.:

We have audited in accordance with auditing standards generally accepted in the United States, the consolidated financial statements included in C.H. Robinson Worldwide, Inc.'s annual report to shareholders incorporated by reference in this Form 10-K, and have issued our report thereon dated January 29, 2001. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The accompanying schedule is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission rules and is not part of the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Minneapolis, Minnesota,  
January 29, 2001

C.H. Robinson Worldwide, Inc.

Schedule II. Valuation and Qualifying Accounts

Allowance for Doubtful Accounts

The transactions in the allowance for doubtful accounts for the years ended December 31, 2000, 1999 and 1998 were as follows (in thousands):

	December 31, 2000	December 31, 1999	December 31, 1998
Balance, beginning of year	\$ 18,280	\$ 12,412	\$ 8,936
Provision	7,940	10,393	6,902
Write-offs	(3,508)	(4,525)	(3,426)
Balance, end of year	<u>\$ 22,712</u>	<u>\$ 18,280</u>	<u>\$ 12,412</u>

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### Index to Exhibits

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- 10.17 Revolving Note, dated December 29, 1999, payable by C.H. Robinson Worldwide, Inc. to the order of Norwest Bank Minnesota, National Association, up to an aggregate principal amount of \$20,000,000 (Incorporated by reference to Exhibit 10.17 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1999)
- †10.18 Management Bonus Plan (Incorporated by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1999)
- 10.19 Asset Purchase Agreement dated November 18, 1999, by and among the Company, C.H. Robinson Company, American Backhaulers, Inc., Paul L. Loeb, the Paul L. Loeb Family Trust and the Jodi Sue Loeb Family Trust (Incorporated by reference to Exhibit 2 to the Registrant's Current Report on Form 8-K dated December 28, 1999).
- †10.20 Robinson Companies Nonqualified Deferred Compensation Plan (Incorporated by reference to Exhibit 4 to the Registrant's Registration Statement on Form S-8, Registration No. 333-47080)
- \*10.21 Robinson Companies Nonqualified Deferred Compensation Plan Trust Agreement, dated January 1, 2001, by and between C. H. Robinson Worldwide, Inc. and American Express Trust Company
- \*†10.22 Award of Deferred Shares into the Robinson Companies Nonqualified Deferred Compensation Plan, dated December 21, 2000 , by and between C. H. Robinson Worldwide, Inc. and John P. Wiehoff
- \*13 Selected pages of the Company's Annual Report to Stockholders for the year ended December 31, 2000
- \*21 Subsidiaries of the Company
- \*23 Consent of Arthur Andersen LLP
- 24 Powers of Attorney (included on signature page of this Report)
- \*99 Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995

† Management contract or compensatory plan or arrangement required to be filed as an exhibit to Form 10-K pursuant to Item 14(c) of the Form 10-K Report

\* Filed herewith

**Exhibit 10.21**

**ROBINSON COMPANIES  
NONQUALIFIED DEFERRED COMPENSATION PLAN  
TRUST AGREEMENT  
(2000 STATEMENT)**

**ROBINSON COMPANIES**  
**NONQUALIFIED DEFERRED COMPENSATION PLAN**  
**TRUST AGREEMENT**  
**(2000 STATEMENT)**

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**ROBINSON COMPANIES**  
**NONQUALIFIED DEFERRED COMPENSATION PLAN**  
**TRUST AGREEMENT**  
(2000 STATEMENT)

THIS AGREEMENT Made and entered into as of January 1, 2001, by and between C.H. ROBINSON WORLDWIDE, INC. (the "Principal Sponsor") and American Express Trust Company, a Minnesota trust company (the "Trustee");

WHEREAS, Principal Sponsor has adopted a nonqualified deferred compensation Plan known as the Robinson Companies Nonqualified Deferred Compensation Plan (the "Plan").

WHEREAS, Principal Sponsor has incurred or expects to incur liability under the terms of such Plan with respect to the individuals participating in such Plan;

WHEREAS, Principal Sponsor wishes to establish a trust (hereinafter called "Trust") and to contribute to the Trust assets that shall be held therein, subject to the claims of Principal Sponsor's creditors in the event of Principal Sponsor's Insolvency, as herein defined, until paid to Plan participants and their beneficiaries in such manner and at such times as specified in the Plan;

WHEREAS, it is the intention of the parties that the Plan and this Trust shall constitute an unfunded arrangement for federal income tax purposes and shall not affect the status of the Plan as an unfunded plan maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purpose of Title I for the Employee Retirement Income Security Act of 1974;

WHEREAS, it is the intention of Principal Sponsor to make contributions to the Trust to provide itself with a source of funds to assist in the meeting of its liabilities under the Plan;

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised held and disposed of as follows:

**SECTION 1. ESTABLISHMENT OF TRUST.**

(a) Principal Sponsor hereby deposits with Trustee in trust \$100, which shall become the principal of the Trust to be held, administered and disposed of by Trustee as provided in this Trust Agreement. The Trustee will be responsible only for actual dollars deposited with this Trust and will not have any duties or liabilities until the Trust receives deposits of more than a de minimus amount.

(b) The Trust hereby established shall be revocable by Principal Sponsor.

(c) The Trust is intended to be a grantor trust, of which Principal Sponsor is the grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Internal Revenue Code of 1986, as amended, and shall be construed accordingly.

(d) The principal of the Trust, and any earnings thereon shall be held separate and apart from other funds of Principal Sponsor and shall be used exclusively for the uses and purposes of Plan participants and general creditors as herein set forth. Plan participants and their beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plan and this Trust Agreement shall be mere unsecured contractual rights of Plan participants and their beneficiaries against Principal Sponsor. Any assets held by the Trust will be subject to the claims of Principal Sponsor's general creditors under federal and state law in the event of Insolvency, as defined in Section 3(a) herein.

(e) Principal Sponsor, in its sole discretion, may at any time, or from time to time, make additional deposits of cash or other property in trust with Trustee to augment the principal to be held, administered and disposed of by Trustee as provided in this Trust Agreement. Neither Trustee nor any Plan participant or beneficiary shall have any right to compel such additional deposits.

(f) Principal Sponsor represents that it shall restrict participation in the Plan relating to or supported by this trust to a "select group of management or highly compensated employees," as that phrase is used in and defined under Sections 201, 301, and 401 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Principal Sponsor represents to the Trustee that this trust is exempt from Parts 2, 3, and 4 of Title 1 of ERISA. Principal Sponsor agrees to indemnify against and hold harmless from any and all claims, judgments, settlements and related costs or damages incurred by the Trustee resulting from Trustee's reliance on these representations.

## SECTION 2. PAYMENTS TO PLAN PARTICIPANTS AND THEIR BENEFICIARIES.

(a) Principal Sponsor shall, from time to time, deliver instructions to Trustee (the "Payment Instructions") that indicate the amounts payable in respect of each Plan participant (and his or her beneficiaries), that provide a formula or other instructions acceptable to Trustee for determining the amounts so payable, the form in which such amount is to be paid (as provided for or available under the Plan), and the time of commencement for payment of such amounts. Except as otherwise provided herein, Trustee shall make payments to the Plan participants and their beneficiaries in accordance with such Payment Instructions. The Trustee shall make provision for the reporting and withholding of any federal, state or local taxes that may be required to be withheld with respect to the payment of

benefits pursuant to the terms of the Plan and shall pay amounts withheld to the appropriate taxing authorities or determine that such amounts have been reported, withheld and paid by Principal Sponsor. The Trustee may delegate to the Principal Sponsor the responsibility for the reporting, withholding, and payments as described above, pursuant to separate agreement.

(b) The entitlement of a Plan participant or his or her beneficiaries to benefits under the Plan shall be determined by Principal Sponsor or such party as it shall designate under the Plan, and any claim for such benefits shall be considered and reviewed under the procedures set out in the Plan.

(c) Notwithstanding paragraph (a) above, Principal Sponsor may make payment of benefits directly to Plan participants or their beneficiaries as they become due under the terms of the Plan. Principal Sponsor shall notify Trustee of its decision to make payment of benefits directly prior to the time amounts are payable to participants or their beneficiaries. The Trustee shall remit to Principal Sponsor the amount to be paid to Plan participants and their beneficiaries (or to reimburse Principal Sponsor for amounts previously paid to Plan participants and their beneficiaries). To the extent Principal Sponsor makes payment of benefits directly to Plan participants or their beneficiaries, Principal Sponsor shall be responsible for withholding and reporting.

(d) In addition, if the principal of the Trust, and any earnings thereon, are not sufficient to make payments of benefits in accordance with the terms of the Plan, Principal Sponsor shall make the balance of each such payment as it falls due. Trustee shall notify Principal Sponsor where principal and earnings are not sufficient.

### SECTION 3. TRUSTEE RESPONSIBILITY REGARDING PAYMENTS TO TRUST BENEFICIARY WHEN PRINCIPAL SPONSOR IS INSOLVENT.

(a) Trustee shall cease payment of benefits to Plan participants and their beneficiaries if the Principal Sponsor is Insolvent. Principal Sponsor shall be considered "Insolvent" for purposes of this Trust Agreement if (i) Principal Sponsor is unable to pay its debts as they become due, or (ii) Principal Sponsor is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.

(b) At all times during the continuance of this Trust, as provided in Section 1(d) hereof, the principal and income of the Trust shall be subject to claims of general creditors of Principal Sponsor under federal and state law as set forth below:

(i) The Board of Directors and the Chief Executive Officer of Principal Sponsor shall have the duty to inform Trustee in writing of Principal Sponsor's Insolvency. If a person claiming to be a creditor of Principal



Sponsor alleges in writing to Trustee that Principal Sponsor has become Insolvent, Trustee shall determine whether Principal Sponsor is Insolvent and, pending such determination, Trustee shall discontinue payment of benefits to Plan participants or their beneficiaries.

(ii) Unless Trustee has actual knowledge of Principal Sponsor's Insolvency, or has received notice from Principal Sponsor or a person claiming to be a creditor alleging that Principal Sponsor is Insolvent, Trustee shall have no duty to inquire whether Principal Sponsor is Insolvent. Trustee may in all events rely on such evidence concerning Principal Sponsor's solvency as may be furnished to Trustee and that provides Trustee with a reasonable basis for making a determination concerning Principal Sponsor's solvency.

(iii) If at any time Trustee has determined that Principal Sponsor is Insolvent, Trustee shall discontinue payments to Plan participants or their beneficiaries and shall hold the assets of the Trust for the benefit of Principal Sponsor's general creditors. Nothing in this Trust Agreement shall in any way diminish any right of Plan participants or their beneficiaries to pursue their rights as general creditors of Principal Sponsor with respect to benefits due under the Plan or otherwise.

(iv) Trustee shall resume the payment of benefits to Plan participants or their beneficiaries in accordance with Section 2 of this Trust Agreement only after Trustee received a determination that Principal Sponsor is not Insolvent (or is no longer Insolvent).

(c) Provided that there are sufficient assets, if Trustee discontinues the payment of benefits from the Trust pursuant to Section 3(b) hereof and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to Plan participants or their beneficiaries under the terms of the Plan for the period of such discontinuance, less the aggregate amount of any payments made to Plan participants or their beneficiaries by Principal Sponsor in lieu of the payment provided for hereunder during any such period of discontinuance.

#### SECTION 4. INVESTMENT AUTHORITY.

(a) The Trustee shall have the authority, as directed by the Principal Sponsor, to invest in government securities, common stocks, preferred stocks, bonds, notes, commercial paper, fixed time deposits, money market instruments, mutual funds including any investment offered by the Trustee or its affiliates. The Principal Sponsor can delegate to each participant the right to direct the Trustee as to the appropriate allocation within the authorized investments selected by the Principal Sponsor. The Principal Sponsor, or if delegated to the Trustee, retains the authority to override a Participant's direction.

(b) If so directed by the Principal Sponsor, the Trustee may invest in securities (including stock or rights to acquire stock) or obligations issued by the Principal Sponsor. All rights associated with assets of the Trust shall be exercised by the Trustee or the person designated by the Trustee, and shall in no event be exercisable by or rest with Plan participants, except that voting rights with respect to Trust assets will be exercised by the Principal Sponsor.

"The Principal Sponsor shall have the right at any time, and from time to time in its sole discretion, to substitute assets of equal fair value for any asset held by the Trust. This right is exercisable by the Principal Sponsor in a nonfiduciary capacity without the approval or consent of any person in a fiduciary capacity."

#### SECTION 5. DISPOSITION OF INCOME.

During the term of this Trust, all income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested.

#### SECTION 6. ACCOUNTING BY TRUSTEE.

Trustee shall keep accurate and detailed records of all investment, receipts, disbursements, and all other transactions required to be made, including such specific records as shall be agreed upon in writing between Principal Sponsor and Trustee. Within 120 days following the close of each calendar year and within 120 days after the removal or resignation of Trustee, Trustee shall deliver to the Principal Sponsor a written account of its administration of the Trust during such year or during the period from the close of the last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investment purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be.

#### SECTION 7. RESPONSIBILITY OF TRUSTEE.

(a) (a) Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims, provided, however, that Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval given by Principal Sponsor which is contemplated by, and in reasonable conformity with, the terms of the Plan or this Trust and is given in writing by Principal Sponsor. In the event of a dispute between Principal Sponsor and a

party, Trustee may apply to a court of competent jurisdiction to resolve the dispute.

(b) If Trustee undertakes or defends any litigation arising in connection with this Trust, Principal Sponsor agrees to indemnify Trustee against Trustee's costs, expenses and liabilities (including, without limitation, attorneys' fees and expenses) relating thereto and to be primarily liable for such payments. If Principal Sponsor does not pay such cost, expenses and liabilities in a reasonably timely manner, Trustee may obtain payment from the Trust.

(c) Trustee may consult with legal counsel (who may also be counsel for Principal Sponsor or Trustee generally) with respect to any of its duties or obligations hereunder.

(d) Trustee may hire agents, accountants, actuaries, investment advisors, financial consultants or other professionals to assist it in performing any of its duties or obligations hereunder.

(e) Trustee shall have, without exclusion, all powers conferred on Trustees by applicable law, unless expressly provided otherwise herein, provided, however, that if an insurance policy is held as an asset of the Trust, Trustee shall have no power to name a beneficiary of the policy other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form) other than to a successor Trustee, or to loan to any person the proceeds of any borrowing against such policy.

(f) Notwithstanding any powers granted to Trustee pursuant to this Trust Agreement or to applicable law, Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

(g) The Trustee shall deliver or cause to be executed and delivered, to the Principal Sponsor, all notices, prospectuses, finance statements proxies and proxy soliciting materials relating to investments held hereunder. The Trustee shall not vote any proxy or tender offer election, participate in any voting trust, exercise any options or subscription right or join in, dissent from or oppose any merger, reorganization, consolidation, liquidation or sale with respect to any asset held hereunder except in accordance with the timely written instructions of the Principal Sponsor. If no such written instructions are timely received, such proxies, elections and voting trust shall not be voted: such options or subscription rights shall not be exercised: and such mergers, reorganizations, consolidation, liquidations or sales shall not be joined, dissented from or opposed.

(h) The Trustee may, in the exercise of its discretion, invest and reinvest the assets of any trust created under this Agreement in assets issued or distributed by American Express Financial Corporation or any of its successors, subsidiaries or affiliates, even though American Express Financial Corporation and its successors, subsidiaries or affiliates are affiliated with the Trustee. Assets that the Trustee may acquire pursuant to the authority granted by this paragraph include, but are not limited to load and no-load mutual funds.

The Trustee shall have full discretionary authority to make sales, purchases and exchanges of assets of any trust created under this Agreement to, from, through any securities broker/dealer owned by or affiliated with American Express Financial Corporation, including but not limited to American Express Securities Services, or any of its successors, subsidiaries or affiliates, or any unaffiliated persons, partnerships or corporations it may select, and settle transactions in the usual course of business.

(i) The Trustee's responsibilities do not include filing with the DOL of a Registration Statement or any other documents or any determination of the need to register the plan or any portion of the plan as a security, or the performance of any service related to the plan's compliance with any requirement under the Securities Act of 1933, the Securities Exchange Act of 1934, the Blue Sky laws of any state or other jurisdiction, or any related regulations, administrative rules or requirements.

#### SECTION 8. COMPENSATION AND EXPENSES OF TRUSTEE.

Principal Sponsor shall pay all administrative and Trustee's fees and expenses. If not so paid, the Trustee shall deduct the fees and expenses directly from the Trust. The Trustee will, as part of its compensation for services, receive the interest earned on any uninvested cash awaiting investment into or distribution from the Trust.

#### SECTION 9. RESIGNATION AND REMOVAL OF TRUSTEE.

(a) Trustee may resign at any time by written notice to Principal Sponsor, which shall be effective 60 days after receipt of such notice unless Principal Sponsor and Trustee agree otherwise.

(b) Trustee may be removed by Principal Sponsor on 60 days notice or upon shorter notice accepted by Trustee.

(c) Upon resignation or removal of Trustee and appointment of a successor Trustee, subject to Trustee's rights to deduct fees and expenses pursuant to Section 9, all assets shall subsequently be transferred to the successor Trustee. The transfer shall be completed within 90 days after receipt of notice of resignation, removal or transfer, unless Principal Sponsor extends the time limit.

(d) If Trustee resigns or is removed, a successor shall be appointed, in accordance with Section 11 hereof, by the effective date of resignation or removal under paragraphs (a) or (b) of this section. If no such appointment has been made, Trustee may apply to a court of competent jurisdiction for appointment of a successor or for instructions. All expenses of Trustee in connection with the proceeding shall be allowed as administrative expenses of the Trust.

#### SECTION 10. APPOINTMENT OF SUCCESSOR.

(a) If Trustee resigns (or is removed) in accordance with Section 10(a) or

(b) hereof, Principal Sponsor may appoint any third party, such as a bank trust department or other party that may be granted corporate trustee powers under state law, as a successor to replace Trustee upon resignation or removal. The appointment shall be effective when accepted in writing by the new Trustee, who shall have all of the rights and powers of the former trustee, including ownership rights in the Trust assets. The former Trustee shall execute any instrument necessary or reasonably requested by Principal Sponsor or the successor Trustee to evidence the transfer.

(b) The successor Trustee need not examine the records and acts of any prior Trustee and may retain or dispose of existing Trust assets, subject to Sections 7 and 8 hereof. The successor Trustee shall not be responsible for and Principal Sponsor shall indemnify and defend the successor Trustee from any claim or liability resulting from any action or inaction of any prior Trustee or from any other past event, or any condition existing at the time it becomes successor Trustee.

#### SECTION 11. AMENDMENT OR TERMINATION.

(a) This Trust Agreement may be amended by a written instrument executed by Trustee and Principal Sponsor.

(b) The Trust shall not terminate until the date on which Plan participants and their beneficiaries are no longer entitled to benefits pursuant to the terms of the Plan, unless sooner revoked in accordance with Section 1(b) hereof. Upon termination of the Trust any assets remaining in the Trust shall be returned to Principal Sponsor.

(c) Upon written approval of participants or beneficiaries entitled to payment of benefits pursuant to the terms of the Plan, Principal Sponsor may terminate this Trust prior to the time all benefit payments under the Plan have been made. All assets in the Trust at termination shall be returned to Principal Sponsor.

SECTION 12. MISCELLANEOUS.

(a) Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.

(b) Benefits payable to Plan participants and their beneficiaries under this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process.

(c) This Trust Agreement shall be governed by and construed in accordance with the laws of Minnesota except to the extent federal law is controlling.

SECTION 13. EFFECTIVE DATE.

Upon the execution by the Trustee, the effective date of this Trust Agreement shall be January 1, 2001.

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be executed as of the day and year first above written.

*C.H. ROBINSON WORLDWIDE, INC.,  
Principal Sponsor*

*By:           /s/ Troy A. Renner*  
-----

*Title:       Treasurer*  
-----

*Date:       December 20, 2000*  
-----

*AMERICAN EXPRESS TRUST COMPANY,  
Trustee*

*By:           /s/ Tara L. Stonehouse*  
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*Title:       Vice President*  
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*Date:       January 8, 2001*  
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**Exhibit 10.22**

**AWARD OF DEFERRED SHARES**  
into the  
**ROBINSON COMPANIES**  
**NONQUALIFIED DEFERRED COMPENSATION PLAN**

THIS AGREEMENT, made and entered into as of December 21, 2000, by and between C.H. ROBINSON WORLDWIDE, INC., a Delaware corporation ("CHRW") and JOHN P. WIEHOFF, an individual residing in Carver County, Minnesota ("Wiehoff"):

WHEREAS, CHRW has established the 1997 Omnibus Stock Plan and is permitted under the terms of that Omnibus Stock Plan to issue its shares and other derivative securities to employees at various times and in various forms; and

WHEREAS, CHRW has established a nonqualified, defined contribution plan of deferred compensation for the benefit of certain eligible employees known as the "Robinson Companies Nonqualified Deferred Compensation Plan" ("Plan"); and

WHEREAS, the Plan provides, in pertinent part, that CHRW may, in its sole discretion make additional discretionary credits to the Account of a Participant subject to such terms and conditions as are provided in the documents under which the grant is made; and

WHEREAS, CHRW desires to make such a discretionary grant pursuant to the 1997 Omnibus Stock Plan to a sub-Account established under the Plan for the benefit of Wiehoff upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in accordance with the terms and conditions of the Plan and the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1) Conditional Grant. Pursuant to the authority contained in ss.3.2 of the Plan and in accordance with the terms of the 1997 Omnibus Stock Plan, CHRW hereby grants Wiehoff an Employer Discretionary Credit in the form of 169,492 Deferred Shares of the common stock of CHRW, par value of \$.10 per share ("Deferred Shares"). The Deferred Shares shall be credited to a separate sub-Account established for Wiehoff under the Plan as of December 21, 2000.

2) Conditions. This grant is subject to the terms and conditions hereinafter set forth and, unless expressly modified by this Agreement, the terms and conditions contained in the Plan and in the 1997 Omnibus Stock Plan.

3) Vesting in Deferred Shares. The Deferred Shares allocated to a sub-Account created for Wiehoff under the Plan shall become vested in Wiehoff ratably over a period of fifteen (15) years of Vesting Service with CHRW. Service before the date the Deferred Shares are credited to the separate sub-Account pursuant to Section 1 above shall not be taken into account for this purpose.

a) Subject to the foregoing,

i) Upon Wiehoff's termination of employment on account of his death, his disability as defined in section 72(m)(7) of the Internal Revenue Code as it exists at the date of this agreement or on account of a Change in Control as hereinafter defined, Wiehoff's years of service for this purpose shall be equal to the number of years and fractions of years elapsed from the date the Deferred Shares are credited to the separate sub-Account pursuant to Section 1 above to the time of that termination of employment (e.g., if 4 years and 11 months have elapsed from the date the Deferred Shares are credited to the separate sub-Account pursuant to Section 1 above, Wiehoff shall be 59/180th or 32.7777% vested in the Deferred Shares in that sub-Account), but

ii) Under all other circumstances and at all other times, Wiehoff's years of service for this purpose shall be equal to Wiehoff's whole number of years elapsed from the date the Deferred Shares are credited to the separate sub-Account pursuant to Section 1 above to that time (e.g., if 4 years and 11 months have elapsed from the date the Deferred Shares are credited to the separate sub-Account pursuant to Section 1 above, Wiehoff shall be 4/15th or 26.6667% vested in the Deferred Shares in that sub-Account).

b) Vesting shall not be accelerated on account of death, disability, change in control or any other reason.

4) Dividend Equivalents on Deferred Shares. An amount equal to the dividends, if any, that would be payable on that number of shares of CHRW common stock equal to the number of Deferred Shares in Wiehoff's sub-Account on a dividend record date ("Dividend Equivalents") shall be credited to a separate sub-Account established for Wiehoff under the terms of the Plan. The Dividend Equivalents shall be deemed immediately re-invested in shares of CHRW common stock (whole but not fractional shares) and all such additional Deferred Shares shall be fully (100%) vested at all times. Dividend Equivalents shall be credited to the separate sub-Account with respect to such additional Deferred Shares and shall in turn be deemed immediately reinvested in shares of CHRW common stock and all such deemed reinvested shares shall be fully (100%) vested at all times.

5) Indexed Investment. The sub-Account that is attributable to Deferred Shares and the sub-Account attributable to deemed reinvested dividends shall be recorded as Deferred Shares and shall be held as Deferred Shares.

6) No In-Service Payments. Neither the sub-Account attributable to Deferred Shares nor the sub-Account attributable to deemed reinvested dividends shall be paid to or with respect to Wiehoff prior to Wiehoff's termination of employment. That is, those provisions of the Plan that permit in-service payment under various circumstances shall not apply to either such sub-Account.

7) Payments Upon Termination. Upon Wiehoff's termination of employment (whether voluntary or involuntary and whether by reason of retirement, quit, discharge, death or other reason), the portion of Wiehoff's sub-Accounts which are then vested in Wiehoff shall be paid pursuant to the time and form of payment elections Wiehoff has made (or the default rules that are effective if Wiehoff has not made elections) as then provided in the Plan. However, payment of the sub-Account that is attributable to Deferred Shares and the sub-Account attributable to deemed reinvested dividends shall be paid from the Plan only in the



form of one share of CHRW common stock for each Deferred Share in Wiehoff's sub-Accounts and not in any other medium.

8) Miscellaneous

a) This grant is made pursuant to CHRW's 1997 Omnibus Stock Plan and is subject to its terms. Wiehoff may request a copy of the 1997 Omnibus Stock Plan from CHRW.

b) For the purpose of this Agreement, "Change in Control" means the date

(i) a public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act")) is made by CHRW or any Person that such Person beneficially owns more than 50% of the Common Stock outstanding, (ii) CHRW consummates a merger, consolidation or statutory share exchange with any other Person in which the surviving entity would not have as its directors at least 60% of the Continuing Directors and would not have at least 60% of its common stock owned by the common shareholders of CHRW prior to such merger, consolidation or statutory share exchange, (iii) a majority of the Board of Directors is not comprised of Continuing Directors or (iv) a sale or disposition of all or substantially all of the assets of CHRW or the dissolution of CHRW. A Continuing Director is a director recommended by the Board of Directors of CHRW for election as a director of CHRW by stockholders. "Person" means any individual, firm, corporation or other entity, and shall include any successor (by merger or otherwise) of such entity.

c) This Agreement shall not confer on Wiehoff any right with respect to continuance of employment by CHRW or any of its subsidiaries, nor will it interfere in any way with the right of CHRW to terminate such employment at any time. Wiehoff shall not possess the rights of a stockholder with respect to shares subject to this grant until such shares shall have been paid to Wiehoff from the Plan. Notwithstanding the foregoing, if and to the extent that any shares are held in a rabbi trust or similar arrangement in connection with this grant, Wiehoff shall have the right to advise the custodian or trustee regarding his wishes as to voting or taking other actions with regard to such shares and the custodian or trustee may, in its discretion, act on a basis consistent with those expressed intentions.

d) If there shall be any change in the shares of common stock of CHRW through merger, consolidation, reorganization, recapitalization, dividend in the form of stock (of whatever amount), stock split or other change in the corporate structure of CHRW, appropriate adjustments shall be made in the number of Deferred Shares in the sub-Account or in the number and type of shares (or other securities or other property) that are subject to the Deferred Shares in order to prevent dilution or enlargement of rights.

e) CHRW shall at all times during the term of this Agreement reserve and keep available such number of shares of CHRW common stock as will be sufficient to satisfy the requirements of this Agreement.

IN WITNESS WHEREOF, CHRW and Wiehoff have signed this Agreement as of the day and year first above written

**C.H. Robinson Worldwide, Inc.**

\_\_\_\_\_/s/ John P. Wiehoff\_\_\_\_\_  
John P. Wiehoff

By \_\_\_\_/s/D.R. Verdoorn\_\_\_\_\_  
Its \_\_\_\_Chief Executive Officer\_\_\_\_\_

# Exhibit 13

## SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA C.H. Robinson Worldwide, Inc. and Subsidiaries

(Dollars in thousands, except per share data)	2000	1999	1998	1997	1997 as adjusted /(2)/ (unaudited)	1996
Statement of Operations Data (For the years ended December 31)						
Gross revenues	\$2,882,175	\$2,261,027	\$2,038,139	\$1,790,785	\$1,790,785	\$1,605,905
Net revenues/(1)/	419,343	293,283	245,666	206,020	206,020	179,069
Income from operations	117,008	83,828	68,443	32,079	56,735	50,029
Net income	71,242	53,349	43,015	11,492	36,148	32,442
Net income per share/(3)/						
Basic	\$ .84	\$ .65	\$ .52	\$ .14	\$ .44	\$ .39
Diluted	\$ .83	\$ .64	\$ .52	\$ .14	\$ .44	\$ .39
Weighted average number of shares outstanding/(3)/ (in thousands)						
Basic	84,529	82,456	82,432	82,570	82,570	83,598
Diluted	85,717	83,006	82,618	82,604	82,604	83,598
Dividends and distributions per share/(3)/	\$ .170	\$ .145	\$ .125	\$ 1.265	\$ .105	\$ .093
=====						
Balance Sheet Data (as of December 31)						
Working capital	\$ 113,988	\$ 67,158	\$ 135,245	\$ 109,042	\$ 109,042	\$ 114,070
Total assets	644,207	522,661	409,116	340,628	340,628	320,780
Total long-term debt	-	-	-	-	-	-
Stockholders' investment	297,016	246,767	169,518	138,981	138,981	154,428
=====						
Operating Data (as of December 31)						
Branches	137	131	120	119	119	108
Employees	3,677	3,125	2,205	1,925	1,925	1,665
Average net revenues per employee	\$ 122	\$ 120	\$ 119	\$ 115	\$ 115	\$ 115
=====						

/(1)/ Net revenues are determined by deducting cost of transportation and products from gross revenues. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

/(2)/ Excludes unusual charges and expenses of \$24,656 related to our initial public offering and special dividends and distributions related to our initial public offering in October 1997.

/(3)/ On October 24, 2000, the Company's Board of Directors declared a two-for- one stock split effected in the form of a 100% stock dividend distributed on December 1, 2000 to shareholders of record as of November 10, 2000. All share and per share amounts have been restated to reflect the retroactive effect of the stock split.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### General

Gross revenues represent the total dollar value of services and goods we sell to our customers. Our costs of transportation and products include the contracted direct costs of transportation, including motor carrier, rail, ocean, air, and other costs, and the purchase price of the products we source. We act principally as a service provider to add value and expertise in the execution and procurement of these services for our customers. Our net revenues (gross revenues less cost of transportation and products) are the primary indicator of our ability to source, add value and resell services and products that are provided by third parties, and are considered by management to be our primary measurement of growth. Accordingly, the discussion of results of operations below focuses on the changes in our net revenues.

In the transportation industry, results of operations generally show a seasonal pattern as customers reduce shipments during and after the winter holiday season. In recent years, our operating income and income from continuing operations have been lower in the first quarter than in the other three quarters. Seasonality in the transportation industry has not had a significant impact on our results of operations or our cash flows in recent years. Also, inflation has not materially affected our operations due to the short-term, transactional basis of our business. However, we cannot fully predict the impact seasonality and inflation may have in the future.

#### Results of Operations

The following table summarizes our net revenues by service line:

For the years ended December 31, (Dollars in thousands)	2000	1999	Change	1998	Change
Net revenues					
Transportation	\$355,141	\$233,848	51.9%	\$189,797	23.2%
Sourcing	43,793	42,759	2.4	44,229	(3.3)
Information services	20,409	16,676	22.4	11,640	43.3
Total	\$419,343	\$293,283	43.0%	\$245,666	19.4%

The following table represents certain statement of operations data shown as percentages of our net revenues:

For the years ended December 31,	2000	1999	1998
Net revenues	100.0%	100.0%	100.0%
Selling, general and administrative expenses	72.1	71.4	72.1
Income from operations	27.9	28.6	27.9
Investment and other income	0.2	1.6	1.1
Income from operations before provision for income taxes	28.1	30.2	29.0
Provision for income taxes	11.1	12.0	11.5
Net income	17.0%	18.2%	17.5%

### 2000 Compared to 1999

Revenues. Gross revenues for 2000 were \$2.88 billion, an increase of 27.5% over \$2.26 billion for 1999. Net revenues for 2000 were \$419.3 million, an increase of 43.0% over \$293.3 million for 1999, resulting from an increase in transportation services net revenues of 51.9% to \$355.1 million, an increase in sourcing net revenues of 2.4% to \$43.8 million, and an increase in information services net revenues of 22.4% to \$20.4 million. Our net revenues increased at a faster rate than our gross revenues primarily due to the different growth rates of our service lines. Our information services net revenues as a percentage of gross revenues is highest of our three lines, followed by our transportation business and finally our sourcing business.

The increase in transportation services net revenues of 51.9% resulted from internal growth of approximately 22% and growth from acquisitions which added approximately 30%. Net revenue margin on the truck business increased slightly during the year, primarily due to the mix of services provided. Our international air and ocean business grew from both adding new customers and expanding business with existing customers.

Sourcing net revenues increased 2.4%. We continued to expand our sourcing business with large retailers, but this was offset by a decline in business with produce wholesalers because of industry consolidation.

Information services net revenues increased 22.4%. T-Chek related revenues, which represented approximately 90% of the information services business, had year-to-date growth of approximately 29%. Other non-T-Chek information services business had declining net revenues for the year ended December 31, 2000.

**Selling, General and Administrative Expenses.** Selling, general and administrative expenses for 2000 were \$302.3 million, an increase of 44.3% over \$209.5 million for 1999. Selling, general and administrative expenses as a percentage of net revenues were 72.1% and 71.4% in 2000 and 1999. This increase was primarily due to increased costs associated with our growth and our acquisitions.

**Income from Operations.** Income from operations was \$117.0 million for 2000, an increase of 39.6% over \$83.8 million for 1999. Income from operations as a percentage of net revenues was 27.9% and 28.6% for 2000 and 1999.

**Investment and Other Income.** Investment and other income was \$0.8 million for 2000, a decrease of 83.9% from \$4.6 million for 1999. This decrease was the result of lower cash and investment balances in 2000 compared to 1999. In December 1999, we used \$100 million in cash and investments for the purchase of American Backhaulers, Inc.

**Provision for Income Taxes.** The effective income tax rate was 39.5% for 2000 and 39.7% for 1999. The effective income tax rate for both periods is greater than the statutory federal income tax rate primarily due to state income taxes, net of federal benefit.

**Net Income.** Net income was \$71.2 million for 2000, an increase of 33.5% over \$53.3 million for 1999. Basic net income per share increased by 29.2% to \$0.84 for 2000 compared to \$0.65 for 1999. Diluted net income per share increased by 29.7% to \$0.83 for 2000 compared to \$0.64 for 1999.

### **1999 Compared to 1998**

**Revenues.** Gross revenues for 1999 were \$2.26 billion, an increase of 10.9% over \$2.04 billion for 1998. Net revenues for 1999 were \$293.3 million, an increase of 19.4% over \$245.7 million for 1998, resulting from an increase in transportation services net revenues of 23.2% to \$233.8 million, a decrease in sourcing net revenues of 3.3% to \$42.8 million, and an increase in information services net revenues of 43.3% to \$16.7 million. Our net revenues increased at a faster rate than our gross revenues due to the different growth rates of our service lines. Our information services net revenues as a percentage of gross revenues was highest of our three lines, followed by our transportation business and finally our sourcing business.

The increase in transportation services net revenues of 23.2% resulted from internal growth of approximately 18% and growth from 1999 acquisitions of approximately 5%. Revenue per transaction remained consistent from 1998 to 1999. This increase in transaction volume and net revenues was driven by significant expansion of business with current customers and from new domestic and international customers.

Sourcing net revenues decreased by 3.3% due principally to difficult comparisons caused by abnormal net revenue growth of 16.2% during 1998 compared to 1997, which was created by adverse weather conditions in major produce growing areas during 1998. We continued to expand our sourcing business with large retailers, but this was offset by a decline in business with produce wholesalers because of industry consolidation.

The increase in information services net revenue was the result of significant growth in transaction volume from new and existing customers and growth in market share due to consolidation of our competitors in the information services industry. As consolidation has occurred among our competitors, we have been able to add customers that were seeking new service providers.

**Selling, General and Administrative Expenses.** Selling, general and administrative expenses for 1999 were \$209.5 million, an increase of 18.2% over \$177.2 million for 1998. Selling, general and administrative expenses as a percentage of net revenues were 71.4% and 72.1% in 1999 and 1998. The decrease in selling, general and administrative expenses as a percentage of net revenues was due primarily to cost containment efforts in fixed cost areas while growing net revenue at 19.4%.

**Income from Operations.** Income from operations was \$83.8 million for 1999, an increase of 22.5% over \$68.4 million for 1998. Income from operations as a percentage of net revenues was 28.6% and 27.9% for 1999 and 1998.

**Investment and Other Income.** Investment and other income was \$4.6 million for 1999, an increase of 63.5% from \$2.8 million for 1998. This increase was the result of the growth in cash and investments throughout the year. In December 1999, we used \$100 million in cash and investments for the purchase of American Backhaulers, Inc.

**Provision for Income Taxes.** The effective income tax rate was 39.7% for both 1999 and 1998. The effective income tax rate for both periods is greater than the statutory federal income tax rate primarily due to state income taxes, net of federal benefit.

Net Income. Net income was \$53.3 million for 1999, an increase of 24.0% over \$43.0 million for 1998. Basic net income per share increased by 25.0% to \$0.65 for 1999 compared to \$0.52 for 1998. Diluted net income per share increased by 23.1% to \$0.64 for 1999 compared to \$0.52 for 1998.

## **Liquidity and Capital Resources**

We have historically generated substantial cash from operations which has enabled us to fund our growth while paying cash dividends and repurchasing stock. Cash and cash equivalents totaled \$79.9 million and \$49.6 million as of December 31, 2000 and 1999. In conjunction with our December 1999 acquisition of American Backhaulers, Inc. (ABH), we used \$100.0 million of our cash and cash equivalents on hand. In addition, we entered into a debt facility to fund our expected short-term cash needs. Working capital at December 31, 2000 and 1999 was \$114.0 million and \$67.2 million. We have had no long-term debt for the last five years and have no material commitments for future capital expenditures. We have not experienced a material business or financial impact with the conversion to the Euro.

We generated \$74.5 million, \$51.9 million and \$77.6 million of cash flow from operations in 2000, 1999 and 1998. This was due to net income generated, adjusted primarily for depreciation and amortization and the net change in accounts receivable and accounts payable. Our net cash provided by operating activities was highest in 1998 due partially to the timing of federal income tax payments. We had a \$17.3 million income tax receivable as of December 31, 1997, which was collected in 1998.

We used \$24.1 million, \$88.8 million and \$31.6 million of cash flow for investing activities in 2000, 1999 and 1998. In 2000, we spent approximately \$15.5 million to fund capital expenditures. The cash used in 1999 was primarily due to \$112.2 million spent for acquisitions and \$9.4 million to fund capital expenditures necessary for continued growth, offset by \$30.5 million generated by sales and maturities of available-for-sale securities (net of purchases).

We also used \$20.1 million, \$12.7 million and \$9.2 million of cash flow for financing activities in 2000, 1999 and 1998. This was due primarily to quarterly cash dividends and share repurchases for our employee stock plans. We have declared a \$0.05 per share dividend payable on April 2, 2001 to shareholders of record as of March 9, 2001.

We have \$40.0 million available under an existing line of credit at an interest rate of LIBOR plus 60 basis points (6.60% as of December 31, 2000). During 2000, we had gross borrowings on this facility of \$210.5 million, all of which was repaid by June 2000. The maximum outstanding balance during the 12 months was \$14.0 million. There were no borrowings during 1999 or 1998. Our credit agreement contains certain financial covenants, but does not restrict the payment of dividends. We were in compliance with all covenants of the agreement as of December 31, 2000. The line of credit expires on December 16, 2002 and we expect to be able to renew the line of credit in the future.

We also have 20 million French francs available under a line of credit at an interest rate of Euribor plus 90 basis points (5.76% at December 31, 2000). This discretionary line of credit has no expiration date. As of December 31, 2000, the outstanding balance was 13.0 million French francs or \$1.8 million, which is included in income taxes and other current liabilities. Our credit agreement contains certain financial covenants, but does not restrict the payment of dividends. We were in compliance with all covenants of this agreement as of December 31, 2000.

Assuming no change in our current business plan, management believes that our available cash, together with expected future cash generated from operations and the amounts available under our lines of credit, are expected to be sufficient to satisfy our anticipated needs for working capital, capital expenditures and cash dividends for all future periods.

## **Market Risk**

We had approximately \$79.9 million of cash and investments on December 31, 2000, all of which were cash and cash equivalents. Substantially all of the cash equivalents are money market securities from domestic issuers. Because of the credit risk criteria of our investment policies, the primary market risk associated with these investments is interest rate risk. We do not use derivative financial instruments to manage interest rate risk or to speculate on future changes in interest rates. A rise in interest rates could negatively affect the fair value of our investments. We believe a reasonable near-term change in interest rates would not have a material impact on our future investment earnings due to the short-term nature of our investing practices.

Our discussion and analysis of our financial condition and results of operations, including our market risk discussions, contain forward-looking statements, including our current assumptions about future financial performance, anticipated problems and our plans for future operations, which are subject to various risks and uncertainties. Our actual results may differ significantly. Further discussion of factors that may cause a difference may be found in an exhibit to the Company's Form 10-K filed with the Securities and Exchange Commission.

**CONSOLIDATED BALANCE SHEETS**  
**C.H. Robinson Worldwide, Inc. and Subsidiaries**

(In thousands, except per share data)  
As of December 31,

	2000	1999
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 79,912	\$ 49,637
Receivables, net of allowance for doubtful accounts of \$22,712 and \$18,280	354,953	270,296
Deferred tax asset	21,219	18,480
Prepaid expenses and other	2,296	2,854
Inventories	1,859	1,785
Total current assets	460,239	343,052
Property and equipment	58,827	51,387
Accumulated depreciation and amortization	(29,425)	(26,640)
Net property and equipment	29,402	24,747
Goodwill, net of accumulated amortization of \$7,701 and \$1,729	145,604	144,625
Other intangible assets, net of accumulated amortization of \$5,084 and \$4,396	8,570	8,951
Other assets	392	1,286
	\$644,207	\$522,661
<b>Liabilities and Stockholders' Investment</b>		
Current liabilities:		
Accounts payable	\$285,932	\$231,592
Accrued expenses -		
Compensation and profit-sharing contribution	33,456	28,115
Income taxes and other	26,863	16,187
Total current liabilities	346,251	275,894
Deferred tax liabilities	940	-
Total liabilities	347,191	275,894
Commitments and contingencies (Notes 4 and 7)		
Stockholders' investment:		
Preferred stock, \$.10 par value, 20,000 shares authorized; no shares issued or outstanding	-	-
Common stock, \$.10 par value, 130,000 shares authorized; 85,008 and 84,772 shares issued, 84,621 and 84,568 outstanding	8,462	4,228
Additional paid-in-capital	101,571	98,958
Retained earnings	204,463	147,586
Deferred compensation	(6,980)	-
Cumulative other comprehensive loss	(1,049)	(1,053)
Treasury stock at cost (387 and 204 shares)	(9,451)	(2,952)
Total stockholders' investment	297,016	246,767
	\$644,207	\$522,661

The accompanying notes are an integral part of these consolidated balance sheets.

**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**C.H. Robinson Worldwide, Inc. and Subsidiaries**

(In thousands, except per share data)  
For the years ended December 31,

	2000	1999	1998
Gross revenues	\$2,882,175	\$2,261,027	\$2,038,139
Cost of transportation and products	2,462,832	1,967,744	1,792,473
Net revenues	419,343	293,283	245,666
Selling, general and administrative expenses	302,335	209,455	177,223
Income from operations	117,008	83,828	68,443
Investment and other income	750	4,649	2,844
Income before provision for income taxes	117,758	88,477	71,287
Provision for income taxes	46,516	35,128	28,272
Net income	\$ 71,242	\$ 53,349	\$ 43,015
=====			
Basic net income per share	\$ .84	\$ .65	\$ .52
Diluted net income per share	\$ .83	\$ .64	\$ .52
Basic weighted average shares outstanding	84,529	82,456	82,432
Dilutive effect of outstanding stock awards	1,188	550	186
Diluted weighted average shares outstanding	85,717	83,006	82,618
=====			

The accompanying notes are an integral part of these consolidated financial statements.



**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' INVESTMENT  
AND COMPREHENSIVE INCOME  
C.H. Robinson Worldwide, Inc. and Subsidiaries**

(In thousands, except per share data)  
For the years ended December 31, 2000, 1999 and 1998

	Common Shares Outstanding	Amount	Additional Paid-in Capital	Retained Earnings	Deferred Compen- sation	Cumulative Other Com- prehensive Loss	Treasury Stock	Total Stockholders' Investment
Balance, December 31, 1997	41,265	\$ 4,126	\$ 62,108	\$ 73,465	\$ -	\$ (718)	\$ -	\$ 138,981
Net income	-	-	-	43,015	-	-	-	43,015
Other comprehensive income:								
Foreign currency translation adjustment	-	-	-	-	-	(427)	-	(427)
Comprehensive income	-	-	-	-	-	-	-	42,588
Cash dividends, \$.125 per share	-	-	-	(10,302)	-	-	-	(10,302)
Stock issued for employee benefit plans	63	6	(115)	-	-	-	1,430	1,321
Tax benefit on deferred compensation plans	-	-	61	-	-	-	-	61
Repurchase of common stock	(138)	(13)	-	-	-	-	(3,118)	(3,131)
Balance, December 31, 1998	41,190	4,119	62,054	106,178	-	(1,145)	(1,688)	169,518
Net income	-	-	-	53,349	-	-	-	53,349
Other comprehensive income:								
Foreign currency translation adjustment	-	-	-	-	-	92	-	92
Comprehensive income	-	-	-	-	-	-	-	53,441
Cash dividends, \$.145 per share	-	-	-	(11,941)	-	-	-	(11,941)
Stock issued for employee benefit plans	58	6	51	-	-	-	1,472	1,529
Stock issued in acquisition (Note 2)	1,121	112	36,813	-	-	-	-	36,925
Tax benefit on deferred compensation plans	-	-	40	-	-	-	-	40
Repurchase of common stock	(85)	(9)	-	-	-	-	(2,736)	(2,745)
Balance, December 31, 1999	42,284	4,228	98,958	147,586	-	(1,053)	(2,952)	246,767
Net income	-	-	-	71,242	-	-	-	71,242
Other comprehensive income:								
Foreign currency translation adjustment	-	-	-	-	-	4	-	4
Comprehensive income	-	-	-	-	-	-	-	71,246
Cash dividends, \$.170 per share	-	-	-	(14,365)	-	-	-	(14,365)
Stock dividend (Note 1)	42,284	4,228	(4,228)	-	-	-	-	-
Stock issued for employee benefit plans	181	18	(168)	-	-	-	3,400	3,250
Issuance of restricted stock (Note 6)	237	24	6,976	-	(7,000)	-	-	-
Reduction of deferred compensation (Note 6)	-	-	-	-	20	-	-	20
Tax benefit on deferred compensation plans	-	-	33	-	-	-	-	33
Repurchase of common stock	(365)	(36)	-	-	-	-	(9,899)	(9,935)
Balance, December 31, 2000	84,621	\$ 8,462	\$101,571	\$204,463	\$ (6,980)	\$ (1,049)	\$ (9,451)	\$ 297,016

The accompanying notes are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**C.H. Robinson Worldwide, Inc. and Subsidiaries**

(In thousands)			
For the years ended December 31,	2000	1999	1998
<b>Operating Activities</b>			
Net income	\$ 71,242	\$ 53,349	\$ 43,015
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	17,318	10,133	8,521
Deferred compensation expense	20	-	-
Deferred income taxes	(513)	(4,822)	(9,272)
(Gain) loss on sale of assets	298	(178)	141
Changes in operating elements, net of effects of acquisitions -			
Receivables	(82,196)	(35,196)	(11,056)
Prepaid expenses and other	570	3,907	(1,379)
Inventories	(74)	1,703	(374)
Accounts payable	52,875	25,748	20,027
Accrued compensation and profit-sharing contribution	5,286	339	5,275
Accrued income taxes and other	9,664	(3,105)	22,750
Net cash provided by operating activities	74,490	51,878	77,648
<b>Investing Activities</b>			
Purchases of property and equipment	(15,491)	(9,433)	(5,071)
Sales of property and equipment	360	430	1,981
Cash paid for acquisitions, net of cash acquired	(5,898)	(112,216)	(6,799)
Sales of long-term investments	-	1,300	-
Sales/maturities of available-for-sale securities	-	44,172	37,594
Purchases of available-for-sale securities	-	(13,643)	(57,900)
Change in other assets, net	(3,063)	553	(1,380)
Net cash used for investing activities	(24,092)	(88,837)	(31,575)
<b>Financing Activities</b>			
Stock issued for employee benefit plans	3,250	1,529	1,321
Repurchase of common stock	(9,935)	(2,745)	(3,131)
Cash dividends and distributions	(13,438)	(11,529)	(7,419)
Net cash used for financing activities	(20,123)	(12,745)	(9,229)
Net increase (decrease) in cash and cash equivalents	30,275	(49,704)	36,844
Cash and cash equivalents, beginning of year	49,637	99,341	62,497
Cash and cash equivalents, end of year	\$ 79,912	\$ 49,637	\$ 99,341
Cash paid for income taxes	\$ 39,096	\$ 42,348	\$ 34,848
Cash paid for interest	\$ 151	\$ -	\$ -
Supplemental disclosure of noncash activities:			
Stock issued in acquisition (Note 2)	\$ -	\$ 36,925	\$ -
Restricted stock awarded (Note 6)	\$ 7,000	\$ -	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**C.H. Robinson Worldwide, Inc. and Subsidiaries**

**1. Summary of Significant Accounting Policies**

**Basis of Presentation** - C.H. Robinson Worldwide, Inc. and its Subsidiaries ("the Company," "we," "us," or "our") is a global provider of multimodal transportation services and logistics solutions through a network of 137 branch offices in 40 states throughout the United States, along with offices in Canada, Mexico, South America and Europe. The consolidated financial statements include the accounts of C.H. Robinson Worldwide, Inc. and its majority owned and controlled subsidiaries. Minority interests in subsidiaries are not significant. All significant intercompany transactions and balances have been eliminated in the consolidated financial statements.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Ultimate results could differ from those estimates.

**Revenue Recognition** - Gross revenues consist of the total dollar value of goods and services purchased by customers. We act principally as the service provider for these transactions and recognize revenue as these services are rendered and goods are delivered.

**Common Stock Split** - On October 24, 2000, the Company's board of directors declared a two-for-one stock split effected in the form of a 100% stock dividend distributed on December 1, 2000 to shareholders of record as of November 10, 2000. As a result of the stock split, the accompanying consolidated financial statements reflect an increase in the number of outstanding shares of common stock. All share and per share amounts have been restated to reflect the retroactive effect of the stock split.

**Foreign Currency** - All balance sheet accounts of foreign subsidiaries are translated at the current exchange rate as of the end of the year. Statement of operations items are translated at average exchange rates during the year. The resulting translation adjustment is recorded as a separate component of comprehensive income in our statement of stockholders' investment and comprehensive income.

**Segment Reporting and Geographic Information** - We have adopted the provisions of Statement of Financial Accounting Standards No. 131, "Disclosure About Segments of an Enterprise and Related Information" (SFAS No. 131). SFAS No. 131 establishes accounting standards for segment reporting. We operate in a single segment.

The following table presents our gross revenues (based on location of the customer) for the years ended December 31 and our long-lived assets as of December 31 by geographic regions (in thousands):

	2000	1999	1998
-----			
Gross revenues			
United States	\$2,754,292	\$2,144,386	\$1,935,191
Other locations	127,883	116,641	102,948
	\$2,882,175	\$2,261,027	\$2,038,139
=====			
		2000	1999
-----			
Long-lived assets			
United States		\$ 37,204	\$ 33,882
Other locations		1,160	1,102
		\$ 38,364	\$ 34,984
=====			

**Cash and Cash Equivalents** - Cash and cash equivalents consist primarily of highly liquid investments with an original maturity of three months or less. The carrying amount approximates fair value due to the short maturity of the instruments.

**Inventories** - Inventories consist primarily of produce, fruit concentrates and related products held for resale and are stated at the lower of cost or market.

**Property and Equipment** - Property and equipment additions are recorded at cost. Maintenance and repair expenditures are charged to expense as incurred. Depreciation is computed using straight-line and accelerated methods over the estimated lives of the assets of three to 10 years. Amortization of leasehold improvements is computed over the shorter of the lease term or the estimated useful lives of the improvements.

Intangible Assets - Goodwill and other identifiable intangible assets are being amortized over their estimated economic lives, ranging from three to 40 years. We periodically evaluate whether events and circumstances have occurred that indicate the remaining balance of intangible assets may not be recoverable.

Income Per Share - Basic net income per common share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted net income per common share is computed under the treasury stock method and is calculated to compute the dilutive effect of outstanding options and other securities.

Comprehensive Income - Comprehensive income includes any changes in the equity of an enterprise from transactions and other events and circumstances from nonowner sources. Our foreign currency translation adjustment is currently our only component of other comprehensive income and is presented on our consolidated statements of stockholders' investment and comprehensive income.

Recently Issued Accounting Pronouncements - Effective January 1, 2001, we have adopted the provisions of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities (SFAS No. 133)" and Statement of Financial Accounting Standards No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133 (SFAS No. 137)." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments imbedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133 requires changes in the derivatives' fair value be recognized currently in earnings unless specific hedge accounting criteria are met. SFAS No. 133 did not have any impact on our consolidated statements of operations or balance sheets.

In December 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 101 "Revenue Recognition in Financial Statements" ("SAB 101"). SAB 101, as amended, summarizes some of the SEC's views in applying generally accepted accounting principles to revenue recognition in financial statements. We have adopted SAB 101 and determined it was not material.

## 2. Acquisition of American Backhaulers, Inc.

On December 16, 1999, we acquired all of the operations and certain assets and liabilities of American Backhaulers, Inc. (ABH). ABH was a privately held, non-asset-based third-party transportation provider, located primarily in Chicago, Illinois. The purchase price of the assets was \$136,925,000, including \$100,000,000 in cash and 2,241,430 newly issued shares of our common stock. We accounted for the acquisition using the purchase method of accounting, with assets acquired including primarily goodwill and other identifiable intangible assets. We are amortizing the goodwill associated with the acquisition over 40 years, and all other intangible assets over periods ranging from three to seven years. Our results of operations include the operations of ABH from the closing date through December 31, 2000. Pro forma operating results of the combined enterprise assuming this transaction had occurred on January 1, 1998 are as follows for the years ended December 31 (unaudited, in thousands, except per share data):

	1999	1998
Net revenues		
Pro forma	\$345,706	\$286,185
Income before income taxes		
Pro forma	\$ 91,264	\$ 67,824
Net income		
Pro forma	\$ 55,032	\$ 40,898
Basic net income per share		
Pro forma	\$ .65	\$ .49
Diluted net income per share		
Pro forma	\$ .64	\$ .48

## 3. Marketable Securities

In December 1999, we liquidated our portfolio of marketable securities to fund the acquisition of ABH. We have historically classified all of our marketable securities as available-for-sale. Available-for-sale securities are carried at amortized cost, which approximates market value. The unrealized gains and losses were not material as the fair value approximates amortized cost. The gross realized gains and losses on sales of available-for-sale securities were not material for the years ended December 31, 1999 or 1998.

#### 4. Lines of Credit

We have \$40.0 million available under an existing line of credit at an interest rate of LIBOR plus 60 basis points (6.60% as of December 31, 2000). During 2000, we had gross borrowings on this facility of \$210.5 million, all of which was repaid by June 2000. The maximum outstanding balance during the 12 months was \$14.0 million. There were no borrowings during 1999 or 1998. Our credit agreement contains certain financial covenants, but does not restrict the payment of dividends. We were in compliance with all covenants of the agreement as of December 31, 2000. The line of credit expires on December 16, 2002 and we expect to be able to renew the line of credit in the future.

We also have 20 million French francs available under a line of credit at an interest rate of Euribor plus 90 basis points (5.76% at December 31, 2000). This discretionary line of credit has no expiration date. As of December 31, 2000, the outstanding balance was 13.0 million French francs or \$1.8 million, which is included in income taxes and other current liabilities. Our credit agreement contains certain financial covenants, but does not restrict the payment of dividends. We were in compliance with all covenants of this agreement as of December 31, 2000.

#### 5. Income Taxes

C.H. Robinson Worldwide, Inc. and its 80% (or more) owned U.S. subsidiaries file a consolidated federal income tax return. We file unitary or separate state returns based on state filing requirements.

The components of the provision for income taxes consist of the following at December 31 (in thousands):

	2000	1999	1998
-----			
Tax provision:			
Federal	\$38,744	\$33,207	\$29,974
State	7,114	5,649	5,862
Foreign	1,171	1,094	1,708
-----			
Deferred provision (benefit)	47,029 (513)	39,950 (4,822)	37,544 (9,272)
-----			
Total provision	\$46,516	\$35,128	\$28,272
=====			

A reconciliation from the provision for income taxes using the statutory federal income tax rate to our effective income tax rate at December 31 is as follows:

	2000	1999	1998
-----			
Federal statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	3.1	2.7	4.1
Foreign and other	1.4	2.0	.6
-----			
	39.5%	39.7%	39.7%
=====			

Deferred tax assets (liabilities) are comprised of the following at December 31 (in thousands):

	2000	1999
-----		
Deferred tax assets:		
Receivables	\$ 6,929	\$ 6,735
Accrued expenses	7,291	7,092
Amortization	-	1,303
Accrued compensation	3,995	1,409
Other	4,264	5,396
Deferred tax liabilities:		
Long-lived assets	(1,577)	(2,169)
Amortization	(623)	-
-----		
Net deferred taxes	\$20,279	\$19,766
=====		

#### 6. Capital Stock and Stock Award Plans

Preferred Stock - Our Certificate of Incorporation (Certificate) authorizes the issuance of 20,000,000 shares of Preferred Stock, \$.10 per share, none of which is outstanding. The Preferred Stock may be issued by resolution of our board of directors from time to time without any action of the stockholders. The Preferred Stock may be issued in one or more series and the board of directors may fix the designation and relative powers, including voting powers, preferences, rights, qualifications, limitations and restrictions of each series, so authorized. The issuance of

any such series may have an adverse effect on the rights of holders of Common Stock or impede the completion of a merger, tender offer or other takeover attempt.

Common Stock - Our Certificate authorizes 130,000,000 shares of Common Stock, par value \$.10 per share. Subject to the prior rights of any series of Preferred Stock which may from time to time be authorized and outstanding, holders of Common Stock are entitled to receive dividends out of funds legally available when, and if declared by the board of directors and to receive pro rata the net assets of the Company legally available for distribution upon liquidation or dissolution.

Holders of Common Stock are entitled to one vote for each share of Common Stock held on each matter to be voted on by the holders of Common Stock, including the election of directors. Holders of Common Stock are not entitled to cumulative voting, which means that the holders of more than 50% of the outstanding Common Stock can elect all of any class of directors if they choose to do so. The stockholders do not have preemptive rights. All outstanding shares of Common Stock are fully paid and nonassessable.

Share Repurchase Program - In conjunction with our initial public offering, our board of directors authorized a stock repurchase plan which allows management to repurchase 2,000,000 common shares for reissuance upon the exercise of employee stock options and other stock plans. During 1999, the board of directors also authorized a second stock repurchase plan, allowing for the repurchase of 4,000,000 shares. We purchased approximately 364,600, 170,000 and 276,000 shares of our common stock for the treasury at an aggregate cost of \$9,935,000, \$2,745,000 and \$3,131,000 in 2000, 1999 and 1998 under the initial stock repurchase plan. No shares have been repurchased under the 1999 stock repurchase plan.

Stock Award Plans - We have a 1997 Omnibus Stock Plan to grant certain stock awards, including stock options at fair market value and restricted shares, to our key employees and outside directors. A maximum of 4,000,000 shares can be granted under this plan; 892,680 shares were available for stock awards as of December 31, 2000. The contractual lives of all options granted are 10 years.

The following schedule summarizes activity in the plans:

	Shares	Stock Options Weighted Average Exercise Price
-----	-----	-----
Outstanding at		
December 31, 1997	951,334	\$ 9.00
Granted	-	-
Exercised	-	-
Terminated	(87,242)	9.00
-----	-----	-----
Outstanding at		
December 31, 1998	864,092	9.00
-----	-----	-----
Granted	977,090	12.59
Exercised	(2,500)	9.00
Terminated	(77,620)	11.27
-----	-----	-----
Outstanding at		
December 31, 1999	1,761,062	10.90
-----	-----	-----
Granted	1,166,400	20.35
Exercised	(37,260)	9.00
Terminated	(59,934)	14.12
-----	-----	-----
Outstanding at		
December 31, 2000	2,830,268	14.75
-----	-----	-----
Exercisable at		
December 31, 1998	-	-
Exercisable at		
December 31, 1999	225,698	9.00
Exercisable at		
December 31, 2000	396,993	\$ 9.00
=====	=====	=====

We follow the provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS No. 123) which encourages, but does not require, a fair value based method of accounting for employee stock options or similar equity instruments. As permitted under SFAS No. 123, we have continued to account for employee stock options using the intrinsic value method outlined in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees."

Accordingly, we have not recognized any compensation expense for our stock options. Had compensation expense for our stock-based compensations plans been determined based on the fair value at the grant dates consistent with the method of SFAS No. 123, our net income and net income per share would have been as follows (in thousands, except per share amounts):

		2000	1999
Net income	As reported	\$71,242	\$53,349
	Adjusted	\$69,448	\$52,540
Basic income per share	As reported	\$ .84	\$ .65
	Adjusted	\$ .82	\$ .64
Diluted income per share	As reported	\$ .83	\$ .64
	Adjusted	\$ .81	\$ .63

The adjusted effects to net income presented reflect compensation costs for all outstanding options, which were granted during 1997, 1999 and 2000. The compensation cost is being reflected over the options' vesting period of five years. Therefore, the full impact of calculating compensation costs of options under SFAS No. 123 is not reflected.

The fair value per option was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2000 Grant	1999 Grant	1997 Grant
Risk-free interest rate	6.79%	5.10%	5.72%
Expected dividend yield	1.00%	1.00%	1.00%
Expected volatility factor	30.21%	30.00%	25.00%
Expected option term	7 years	7 years	7 years
Fair value per option	\$7.94	\$4.66	\$3.05

Restricted Share Award - During 2000, the Company awarded to certain key employees 237,292 restricted shares which were granted under the 1997 Omnibus Stock Plan. The shares are subject to certain vesting requirements. The value of such stock was established by the market price on the date of grant and was recorded as deferred compensation within stockholders' investment in the accompanying financial statements and is being amortized ratably over the applicable restricted stock vesting period. During 2000, \$20,000 was charged to expense related to the restricted shares.

## 7. Commitments and Contingencies

Employee Benefit Plans - We participate in a defined contribution profit-sharing and savings plan which qualifies under section 401(k) of the Internal Revenue Code and covers all full-time employees with one or more years of continuous service. Annual profit-sharing contributions are determined by each company's board of directors, in accordance with the provisions of the plan. We can also elect to make matching contributions to the plan at the discretion of our board of directors. We contributed a 4% match in 2000 and a 3% match in 1999. Profit-sharing plan expense, including matching contributions, was approximately \$8,838,000 in 2000, \$5,928,000 in 1999 and \$4,560,000 in 1998.

Non-Qualified Deferred Compensation Plan - During 2000, the Company adopted the Robinson Companies Nonqualified Deferred Compensation Plan that provides to a select group of management and highly compensated employees the opportunity to defer a specified percentage or dollar amount of their cash compensation. Participants may elect to defer up to 100% of their cash compensation. The plan also permits participants to defer the delivery of shares of Company Common Stock representing the gain on the exercise of incentive stock options and nonqualified stock options. The Company's obligations under this plan are unfunded, and they are unsecured general obligations of the Company.

Lease Commitments - We lease certain facilities, equipment and automobiles under operating leases. Lease expense was \$18,191,000 for 2000, \$16,072,000 for 1999 and \$14,376,000 for 1998.

Minimum future lease commitments under noncancelable lease agreements in excess of one year as of December 31, 2000 are as follows (in thousands):

2001	\$12,803
2002	9,725
2003	5,921
2004	4,053
2005	1,151
Thereafter	496
	\$34,149



Litigation - We are currently not subject to any pending or threatened litigation, other than routine litigation arising in the ordinary course of business, none of which is expected to have a material adverse effect on our financial condition or results of operations.

## 8. Supplementary Data (unaudited)

Our results of operations for each of the quarters in the years ended December 31, 2000 and 1999 are summarized below (in thousands, except per share data).

2000	March 31	June 30	Quarters Ended September 30	December 31
Gross revenues	\$650,091	\$750,994	\$747,615	\$733,475
Cost of transportation and products	551,716	644,596	640,461	626,059
Net revenues	98,375	106,398	107,154	107,416
Income from operations	25,089	31,436	30,150	30,333
Net income	\$ 15,209	\$ 18,944	\$ 18,460	\$ 18,629
Basic net income per share	\$ .18	\$ .22	\$ .22	\$ .22
Diluted net income per share	\$ .18	\$ .22	\$ .21	\$ .22
Basic weighted average shares outstanding	84,562	84,582	84,518	84,457
Dilutive effect of outstanding stock awards	912	1,044	1,404	1,387
Diluted weighted average shares outstanding	85,474	85,626	85,922	85,844
1999	March 31	June 30	Quarters Ended September 30	December 31
Gross revenues	\$509,275	\$579,423	\$593,354	\$578,975
Cost of transportation and products	442,256	506,027	518,351	501,110
Net revenues	67,019	73,396	75,003	77,865
Income from operations	16,911	22,060	22,193	22,664
Net income	\$ 10,772	\$ 13,982	\$ 14,042	\$ 14,553
Basic net income per share	\$ .13	\$ .17	\$ .17	\$ .18
Diluted net income per share	\$ .13	\$ .17	\$ .17	\$ .17
Basic weighted average shares outstanding	82,372	82,390	82,362	82,702
Dilutive effect of outstanding stock awards	314	566	662	654
Diluted weighted average shares outstanding	82,686	82,956	83,024	83,356

**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**  
**C.H. Robinson Worldwide, Inc. and Subsidiaries**

**To C.H. Robinson Worldwide, Inc.:**

We have audited the accompanying consolidated balance sheets of C.H. Robinson Worldwide, Inc. (a Delaware corporation) and Subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of operations, stockholders' investment and comprehensive income and cash flows for each of the three years in the period ended December 31, 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of C.H. Robinson Worldwide, Inc. and Subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

*/s/ ARTHUR ANDERSEN LLP*

*Minneapolis, Minnesota*  
*January 29, 2001*

**REPORT OF MANAGEMENT**

The management of C.H. Robinson Worldwide, Inc., is responsible for the integrity and objectivity of the consolidated financial statements and other financial information contained in this annual report. The consolidated financial statements and related information were prepared in accordance with accounting principles generally accepted in the United States and include some amounts that are based on management's best estimates and judgments.

To meet its responsibility, management depends on its accounting systems and related internal accounting controls. These systems are designed to provide reasonable assurance, at an appropriate cost, that financial records are reliable for use in preparing financial statements and that assets are safe-guarded. Qualified personnel throughout the organization maintain and monitor these internal accounting controls on an ongoing basis.

The Audit Committee of the Board of Directors, composed entirely of directors who are not employees of the Company, meets periodically and privately with the Company's independent public accountants as well as management to review accounting, auditing, internal control, financial reporting and other matters.

*/s/ John P. Wiehoff*

*John P. Wiehoff*  
*President*

*/s/ Chad M. Lindbloom*

*Chad M. Lindbloom*  
*Vice President and Chief Financial Officer*

# EXHIBIT 21

## SUBSIDIARIES OF C.H. ROBINSON WORLDWIDE, INC.

The Company's consolidated subsidiaries are shown below together with the percentage of voting securities owned and the state or jurisdiction of organization of each subsidiary. The names have been omitted for subsidiaries which, if considered in the aggregate as a single subsidiary, do not constitute a significant subsidiary. Subsidiaries of subsidiaries are indented in the following table:

Subsidiaries -----	Percentage of Outstanding Voting Securities Owned -----
C.H. Robinson International, Inc. (Minnesota)	100%
C.H. Robinson Venezuela, C.A. (Venezuela)	100%
C.H. Robinson de Mexico, S.A. de C.V. (Mexico)	100%
C.H. Robinson Company (Canada) Ltd. (Ontario, Canada)	100%
C.H. Robinson Company (Delaware)	100%
C.H. Robinson Company LP (Minnesota)	1%
C.H. Robinson Company, Inc. (Minnesota)	100%
CHR Aviation, LLC (Minnesota)	100%
Daystar-Robinson, Inc. (Delaware)	100%
Fresh 1 Marketing, Inc. (Minnesota)	100%
C.H. Robinson Worldwide-LTL, Inc (Minnesota)	100%
Robinson Holding Company (Minnesota)	100%
C.H. Robinson Company LP (Minnesota)	99%
Wagonmaster Transportation Co. (Minnesota)	100%
Robinson Europe, S.A. (France)	100%
Robinson Italia S.r.L (Italy)	95%
C.H. Robinson Poland Sp. Zo.o (Poland)	100%
Comexter Robinson S.A. (Argentina)	100%
Comexter Trading Company (Florida)	100%
Comexter Cargo, Inc. (Florida)	100%
Robinson Europe (France)	100%
C.H. Robinson (UK) Limited (United Kingdom)	100%
Robinson France SARL (France)	100%
Norminter Iberica (Spain)	98%
E.G.C. SARL (France)	100%
T.E.A.	100%
Payment & Logistics Services, Inc. (Minnesota)	100%
T-Chek Systems, Inc. (Minnesota)	100%
Robinson Logistica Do Brasil Ltda.  (Brazil)	100%

**Exhibit 23**

**CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS**

As independent public accountants, we hereby consent to the incorporation of our report incorporated by reference in this Form 10-K, into the Company's previously filed Registration Statement Nos. 333-53047, 333-41027, 333-41899 and 333-47080.

**ARTHUR ANDERSEN LLP**

Minneapolis, Minnesota,

March 28, 2001

## CAUTIONARY STATEMENT

Forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "PSLRA") are included in our Form 10-K. The words or phrases "believes," "may," "will," "expects," "should," "continue," "anticipates," "intends," "will likely result," "estimates," "projects" or similar expressions identify forward-looking statements in our Form 10-K and in our future filings with the Securities and Exchange Commission, in our press releases, in our presentations to securities analysts or investors, and in oral statements made by or approved by an executive officer of Robinson. Forward-looking statements involve risks and uncertainties that may materially and adversely affect our business, results of operation, financial condition or prospects, and may cause our actual results to differ materially from historical results or the results discussed in the forward-looking statements.

You should consider carefully the following cautionary statements if you own our common stock or are planning to buy our common stock. We intend to take advantage of the "safe harbor" provisions of the PSLRA by providing this discussion. We are not undertaking to address or update each factor in future filings or communications regarding our business or results except to the extent required by law.

**DEMAND FOR OUR SERVICES MAY DECREASE DURING AN ECONOMIC RECESSION.** The transportation industry historically has experienced cyclical financial results as a result of economic recession, the business cycles of customers, price hikes by carriers, interest rate fluctuations, and other economic factors beyond our control. Carriers can be expected to charge higher prices to cover higher operating expenses, and our net revenues and income from operations may decrease if we are unable to pass through to our customers the full amount of higher transportation costs. If economic recession or a downturn in our customers' business cycles causes a reduction in the volume of freight shipped by those customers, particularly among certain national retailers or in the food, beverage or printing industries, our operating results could also be adversely affected.

**WE DEPEND UPON AVAILABLE EQUIPMENT AND SERVICES.** We do not own trucks or other transportation equipment, and we depend in part on independent third parties to provide truck, rail, ocean and air services. Equipment shortages in the transportation industry have occasionally occurred, particularly among truckload carriers. If we are unable to secure sufficient equipment or other transportation services to meet our customers' needs, our operating results could be materially and adversely affected, and our customers could switch to our competitors temporarily or permanently.

**OUR INTERNATIONAL BUSINESS RAISES ADDITIONAL DIFFICULTIES.** We provide services within and between continents on an increasing basis. Our business outside of the United States is subject to various risks, including:

- . changing local economic and market conditions,
- . political and economic instability,

- . fluctuations in currency exchange rates,
- . armed conflicts, and
- . unexpected changes in United States and foreign laws relating to tariffs, trade restrictions, transportation regulations, foreign investments and taxation.

As we expand our business in foreign countries we will expose the Company to increased risk of loss from foreign currency fluctuations and exchange controls as well as longer accounts receivable payment cycles. We have no control over these risks, and if we do not correctly anticipate changes in international economic and political conditions, we may not alter our business practices in time to avoid adverse effects.

**OUR MANAGEMENT AND INTERNAL SYSTEMS MAY BE INADEQUATE TO HANDLE CONTINUED GROWTH OF OUR BUSINESS.** Our continued success depends upon our ability to attract and retain a large group of motivated salespersons and other logistics professionals. If we cannot recruit and retain a sufficient number of personnel, we may be forced to limit our growth. We cannot assure you that we will be able to continue to hire and retain a sufficient number of qualified personnel. Our rapid expansion of operations has placed added demands on our management and operating systems. Continued expansion depends in large part on our ability to develop successful salespersons into managers and to implement enhancements to our information systems that are adaptable to the changes in our business and the requirements of our customers.

**WE FACE SUBSTANTIAL INDUSTRY COMPETITION.** Competition in the transportation services industry is intense and broad based. We compete against other non-asset based logistics companies as well as logistics companies that own their own equipment, third-party freight brokers, Internet matching services and Internet freight brokers, and carriers offering logistics services. We also compete against carriers' internal sales forces and shippers' transportation departments. We often buy and sell transportation services from and to many of our competitors. Historically, competition has created downward pressure on freight rates, and continued rate pressure may adversely affect our net revenues and income from operations.

**OUR EARNINGS MAY BE AFFECTED BY SEASONAL CHANGES IN THE TRANSPORTATION INDUSTRY.** Results of operations for our industry generally show a seasonal pattern as customers reduce shipments during and after the winter holiday season. In recent years, our operating income and earnings have been lower in the first quarter than in the other three quarters. Although seasonal changes in the transportation industry have not had a significant impact on our cash flow or results of operations, we expect this trend to continue and we cannot assure you that it will not adversely impact us in the future.

**OUR SOURCING BUSINESS IS DEPENDENT UPON THE SUPPLY AND PRICE OF FRESH PRODUCE.** The supply and price of fresh produce is affected by government food safety regulation, growing conditions (such as drought, insects and disease), and other conditions over which we have no control. Shortages or overproduction of fresh produce affect commodity prices, which are often highly volatile.

**SOURCING AND RESELLING FRESH PRODUCE EXPOSES US TO POSSIBLE PRODUCT LIABILITY.** Agricultural chemicals used on fresh produce are subject to various approvals, and the

commodities themselves are subject to regulations on cleanliness and contamination. Product recalls in the produce industry have been caused by concern about particular chemicals and alleged contamination, often leading to lawsuits brought by consumers of allegedly affected produce. Because we sell produce, we may have legal responsibility arising from the sale. While we are insured for up to \$75 million for product liability claims, settlement of class action claims is often costly, and we cannot assure you that our liability coverage will be adequate and will continue to be available. If we have to recall produce, we may be required to bear the cost of repurchasing, transporting and destroying any allegedly contaminated product, which our insurance does not cover. Any recall or allegation of contamination could affect our reputation, particularly of our produce brand: The Fresh 1(R). Loss due to spoilage (including the need for disposal) is also a routine part of the sourcing business.

**OUR BUSINESS DEPENDS UPON COMPLIANCE WITH NUMEROUS GOVERNMENT REGULATIONS.** We are licensed by the Department of Transportation as a broker authorized to arrange for the transportation of general commodities by motor vehicle. We must comply with certain insurance and surety bond requirements to act in this capacity. We are also licensed by the Federal Maritime Commission as an ocean freight forwarder, which requires us to maintain a non-vessel operating common carrier bond. We are also licensed by the United States Customs Service of the Department of the Treasury. We source fresh produce under a license issued by the Department of Agriculture. Our failure to comply with the laws and regulations applicable to entities holding these licenses could materially and adversely affect our results of operations or financial condition. Legislative or regulatory changes can affect the economics of the transportation industry by requiring changes in operating practices or influencing the demand for, and the cost of providing, transportation services.

**WE INCREASINGLY DERIVE A SIGNIFICANT PORTION OF OUR GROSS REVENUES FROM OUR LARGEST CLIENTS.** The sudden loss of a number of our major clients could materially and adversely affect our operating results.

**WE MAY BE UNABLE TO IDENTIFY OR COMPLETE SUITABLE ACQUISITIONS AND INVESTMENTS.** We may acquire or make investments in complementary businesses, products, services or technologies. We cannot assure you that we will be able to identify suitable acquisitions or investment candidates. Even if we identify suitable candidates, we cannot assure you that we will be able to make acquisitions or investments on commercially acceptable terms, if at all. If we acquire a company, we may have difficulty assimilating its businesses, products, services, technologies and personnel into our operations. These difficulties could disrupt our ongoing business, distract our management and workforce, increase our expenses and adversely affect our results of operations. In addition, we may incur debt or be required to issue equity securities to pay for future acquisitions or investments. The issuance of any equity securities could

be dilutive to our stockholders.

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